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ABSTRACT

State and federal governments provided $146 billion for public elementary and secondary schools in the 1994-95 school year. In response to a Congressional directive to: (1) determine the extent to which state and federal funding is targeted to districts on the basis of the number of poor students; and (2) the effect of state and federal funding on the amount of funds available to high-poverty compared with low-poverty districts, the Government Accounting Office researched these issues, the results of which are reported in this document. The data used were collected from U.S. Department of Education district-level research for school year 1991-92. The data was supplemented by interviews of state and federal education officials to determine how changes in states' school finance systems and federal funding programs would affect funding to poor students. It was found that school finance systems in over 90 percent of the states had the effect of targeting more state funds to districts with large numbers of poor students in school year 1991-92 regardless of whether the system explicitly intended to do so. Although targeting funds helped close funding gaps, the percentage of total funding from state and federal sources was more important in reducing any gaps. Profiles on a state-by-state basis are offered. (RJM)

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United States General Accounting Office

GAO

Report to Congressional Requesters

January 1998

ED 418 508

SCHOOL FINANCE

State and Federal Efforts to Target Poor Students

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-277125

January 28, 1998

The Honorable Jeff Bingaman
The Honorable Christopher Dodd
The Honorable Carol Moseley-Braun
United States Senate

State and federal governments provided $146 billion for public elementary and secondary schools in school year 1994-95.[1] Some of this revenue targeted poor students. Research has shown that these students generally begin school less prepared than their grade-level peers and need additional educational resources to succeed academically. Using a variety of approaches, states have targeted additional funding to the growing number of poor students[2] despite the many other student needs to consider, such as those for students with disabilities. Although providing a much smaller share of public school funding than states, the federal government has also targeted its financial aid (in fact, most of it) to disadvantaged and poor students through title I, child nutrition, and other programs.[3]

Despite this common commitment, little is known about the extent to which states target their funds to districts with poor students, state targeting efforts compared with federal targeting efforts, and the effects of these efforts. Many policymakers have debated whether title I funds could be better targeted to high-poverty districts and schools.[4] Some have also urged consolidating some federal education funding into grants that give states more discretion in using these funds.

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[1] "National Public Education Financial Survey," Common Core of Data, U.S. Department of Education, National Center for Education Statistics (Washington, D.C.: 1996).

[2] On the basis of census estimates, about one child in five in 1994 lived in a family with an income below the federal poverty level, and the number of such children grew by about 15 percent during the first half of this decade. See also School Age Demographics: Recent Trends Pose New Educational Challenges (GAO/HRD-93-105BR, Aug. 5, 1993).

[3] The Elementary and Secondary Education Act provides targeted programs to improve educational opportunities for students such as those who are poor or who have limited-English proficiency. Title I of this act, the largest federal education program for elementary and secondary school children, is for those whose education attainment is below the level appropriate for their age. It serves over 6 million children through supplemental instruction in reading, math, or language arts. The child nutrition programs are administered by the Department of Agriculture (USDA) and provide funding for free and reduced-price meals.

[4] A recent report on chapter 1 (now known as title I) noted that the program's funding goes to 93 percent of all school districts and that spreading these funds so widely diffuses the program's potential impact and limits its capacity to provide resources to the neediest schools. See Targeting, Formula, and Resource Allocation Issues: Focusing Federal Funds Where the Needs Are Greatest, U.S. Department of Education (Washington, D.C.: 1993), p. ix.

In an earlier report, we examined state school finance policies for funding low-wealth school districts and the wealth-related funding gaps among districts.[5] This report focuses on targeting to poor students and the funding gaps between districts with high and low proportions of poor students. Specifically, you asked us to determine (1) the extent to which state and federal funding is targeted to districts on the basis of the number of poor students and (2) the effect of state and federal funding on the amount of funds available to high-poverty compared with low-poverty districts.

To answer these questions, we relied mainly on Department of Education district-level data for school year 1991-92, the most recent available, to analyze each state except Hawaii, Vermont, and Wyoming.[6] We supplemented this information by interviewing state and federal education officials to determine how changes in the states' school finance systems and federal funding programs since the 1991-92 school year would affect funding to poor students. To measure the state and federal targeting efforts,[7] we developed a way to estimate the additional funds allocated to districts on the basis of the number of poor students.[8] To measure the effect of state and federal funding on the amount of funds available to high-poverty compared with low-poverty districts, we measured the relative change in district funding as districts' poverty rates increased.

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[5] School Finance: State Efforts to Reduce Funding Gaps Between Poor and Wealthy Districts (GAO/HEHS-97-31, Feb. 5, 1997). In this report, we found that wealthy districts on average had about 24 percent more state and local funding per weighted pupil than poor districts.

[6] We did not analyze targeting in Hawaii because the entire state is one district. Nor did we analyze targeting in Vermont because approximately 55 percent of the federal funding was channeled through administrative districts excluded from our analysis. We excluded Wyoming because we could not adequately model its school finance system. This left 47 states in our study. See app. I for more information on the scope of our study.

[7] Targeting in our model of state school finance systems describes state funding as if one portion had been allocated on the basis of a district's total number of students and a second portion on the basis of a district's number of poor students. The targeting measure is a ratio of these two portions. Specifically, for a dollar of state funding allocated to a district for each student, the targeted amount is the additional funding allocated for each poor student. The targeting of federal funds is measured the same way.

[8] This targeting measure includes the effect of funds allocated specifically for poor students as well as for other student groups that may include poor students. This measure statistically controls for the effect of additional funds that states may have allocated to districts to compensate for localities' limited ability to raise revenues.

We adjusted our analysis to account for geographic cost differences in teacher salaries and for student need.[9] We accounted for revenue for all purposes from all sources in our funding amounts, including revenue for capital expenditures and debt service. Federal revenues included funds from several federal agencies, including the Departments of Education, Agriculture, and Health and Human Services (HHS).[10] We measured a district's ability to raise local education revenues as income per pupil.[11] We used the percentage of children in a district living in households below the poverty level in 1989 to measure the percentage of poor students in a district[12] and enrollment as of October 1991 as the measure of a district's students. We consulted with school finance experts on the methodology used in our review and the resulting information contained in this report.[13] Appendixes I to V describe our data and methodology in greater detail. We conducted our work between March and December 1997 in accordance with generally accepted government auditing standards.

Results in Brief

School finance systems in over 90 percent of the states had the effect of targeting[14] more state funds to districts with large numbers of poor students in school year 1991-92, regardless of whether the system explicitly intended to do so. The extent of the targeting varied widely, however. New Hampshire targeted poor students the most, providing an additional $6.69 per poor student for every $1 provided to each student; school finance systems in four states (Montana, Nevada, New Mexico, and

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[9] To adjust for geographic differences in resource costs by district, we used a national district-level teacher cost index recently developed for the National Center for Education Statistics. When adjusting for differences in student need, we adjusted a district's pupil count to give extra weight to poor pupils and those with disabilities.

[10] We eliminated federal impact aid from the federal revenue totals and added this amount to local revenue totals because states consider the federal funding from this program part of a district's local education resources. Federal revenue included the cash payments from USDA's child nutrition programs but excluded the value of program commodities.

[11] Most school finance studies measure a district's ability to raise revenues for education as district wealth defined as property value per pupil. We used district income defined as resident income per pupil, using total income data from the 1990 census, because we could not construct a property-value-per-pupil measure from the national district-level databases available. The main limitation of our income measure is that it does not include commercial or other nonresidential income and may therefore understate some districts' ability to raise revenue. For a more complete explanation of this measure, see GAO/HEHS-97-31, Feb. 5, 1997, pp. 44-5.

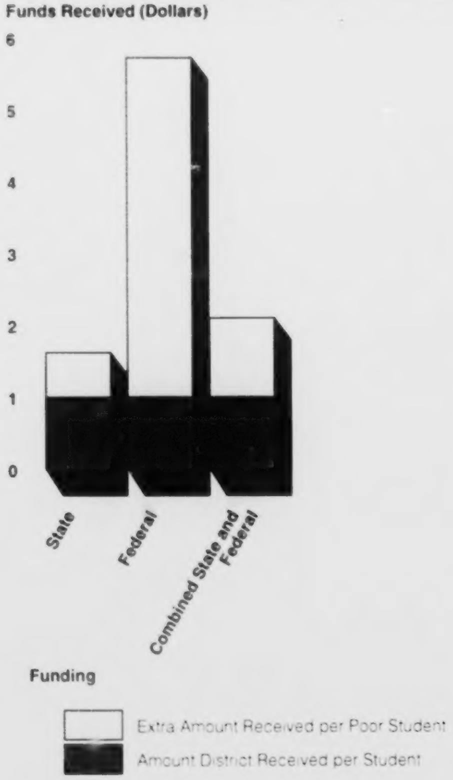
[12] According to the 1990 census, the average poverty threshold for a family of four was $12,674 in 1989.

[13] School finance experts who reviewed our analysis and this report are William Fowler, Jr., and Martin Orland (Department of Education's National Center for Education Statistics); Lawrence Picus (University of Southern California); and Deborah Verstegen (University of Virginia).

[14] We measured targeting as a district's extra state or federal funding received per poor student for every dollar received for each student.

New York) had the effect of targeting no additional funding per poor student. The national average was $.62 in additional state funding. Federal funding was more targeted than state funding, providing an average of $4.73 in additional federal funding per poor student nationwide for every $1 provided to each student. Because federal funds were more targeted than state funds, the combination of federal and state funding increased the average additional funding per poor student from $.62 to $1.10 nationwide for every $1 provided to each student (see fig. 1). Reported changes in federal education programs and state school finance systems since school year 1991-92 would probably result in federal funds being more targeted than state funds.

Figure 1: Average State, Federal, and Combined Targeting to Poor Students, School Year 1991-92



State and federal funding reduced but did not eliminate the local funding gap between high- and low-poverty districts in many states. High-poverty districts had less local funding per weighted pupil in 37 of the 47 states we analyzed.[15] When we added state and federal funds to local funds for our analysis, only 21 states still had such funding gaps, and these gaps were smaller in each state. Nevertheless, about 64 percent of the nation's poor students live in these 21 states. Nationwide, total funding levels in low-poverty districts were about 15 percent more than those in high-poverty districts.

Although targeting helped close the funding gap, the percentage of total funding from state and federal sources was more important in reducing the gap. Gaps were smaller in states whose combined state and federal share of total funding was relatively high. For example, both California and Virginia had about the same combined state and federal targeting rates per poor student and the same average per pupil funding levels. However, California's much larger combined state and federal share reduced its funding gap to one that was smaller than Virginia's.

Background

Federal, state, and local governments share the financing of our nation's public schools. The federal share is the smallest, averaging about 7 percent of public school funding in the 1991-92 school year. Nationwide, the other 93 percent of funding was about evenly split between state and local funding (see fig. 2). However, the state share of total public funding varied by state from about 9 percent in New Hampshire to about 76 percent in New Mexico in the 1991-92 school year.[16]

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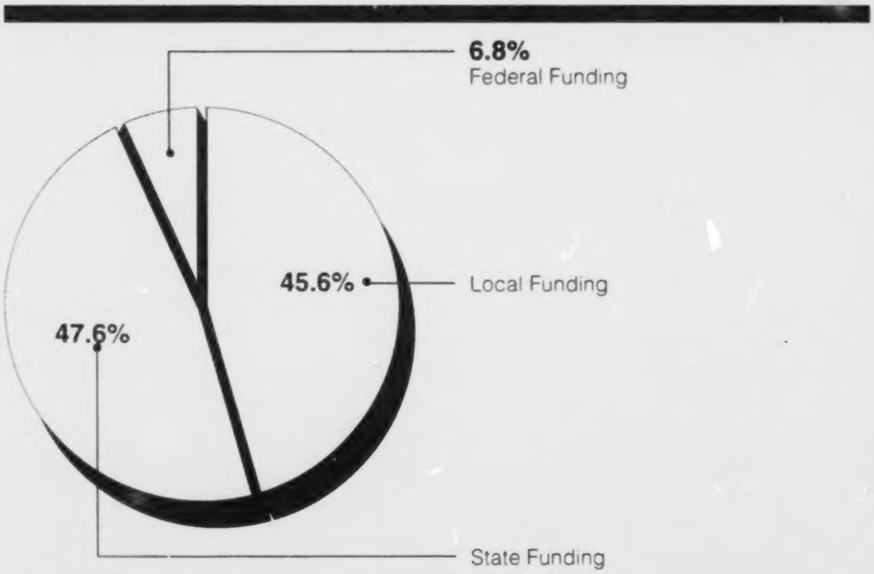
[15] To account for differences in student need by district, students with disabilities were assigned a weight of 2.3 and poor students a weight of 1.6 (see apps. I and V).

[16] Our analysis excludes Hawaii, where the state provided about 92 percent of the total funding in school year 1991-92.

Figure 2: Shares of Total Education Funding (School Year 1991-92)



Localities raise revenue for education mainly through property taxes, and the amount of local funds depends on both property values and local tax rates. This has produced local funding disparities because school districts' property tax bases vary widely. Localities with high property values can generally raise large amounts of local revenue per pupil even with relatively low tax rates; localities with low property values usually raise less local revenue per pupil even with higher tax rates. In an earlier report, we found that poorer districts in 35 states tended to make a greater tax effort than wealthier districts in school year 1991-92, but this effort was not sufficient to eliminate the funding gaps between poor and wealthy districts in 23 of these states.[17]

State School Finance Systems

When allocating revenue to districts, states typically consider these tax base differences as well as educational need factors. States use various equalization strategies to address the funding gaps that arise from tax base differences. Such strategies include targeting more funds to districts with lower tax bases and increasing the state's share of total education funds. Meanwhile, states typically consider districts' educational needs, including the number of pupils in a district, the cost of educating different types of pupils (for example, students with disabilities), and other educational cost factors beyond the districts' control such as costs related to sparsity or enrollment growth.

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[17] See GAO/HEHS-97-31, Feb. 5, 1997.

The educational needs of poor students are one of the states' considerations when making funding decisions. Poor students risk academic failure because their homes or communities lack the resources to prepare them academically and because, among other factors, they have considerable health and nutrition problems. Children living below the poverty level are more likely than nonpoor children to have learning disabilities and developmental delays. As a result, poor students' academic achievement tends to be low, and they have high rates of dropping out of high school.[18]

To help low-achieving poor students, 28 states funded compensatory programs in school year 1993-94, according to a national study on school finance programs.[19] States may have funded such programs by directly allocating funds for this purpose, incorporating the funding into other programs, or including weights in their basic support formulas that provide funds for school districts' daily operations.[20] Funding for state compensatory programs that directly targeted poor students represented up to 11 percent of total state school aid. The total spent for compensatory programs ranged from about $1 million in Wyoming to about $785 million in Texas in school year 1993-94.

The lawsuits filed since the early 1970s challenging the constitutionality of state school finance systems based on the inequitable distribution of education revenues between districts within states demonstrate that ensuring a fair distribution of funds is a complex and difficult undertaking. States are under constant pressure from both poor and wealthy districts, education interest groups, and anti-tax groups to modify their state school finance systems. For example, in our 1995 study of three states involved in equity lawsuits, we found that the state remedies for improving the equity of their school finance systems had to respond to citizens' concerns about increased taxes and to concerns of wealthy districts that want to maintain spending levels.[21]

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[18] For information on the effects of poverty on children, see "Children and Poverty," The Future of Children, Center for the Future of Children, the David and Lucile Packard Foundation, Vol. 7, No. 2 (1997); Henry M. Levin, "Financing the Education of At-Risk Students," Education Evaluation and Policy Analysis, Vol. 11, No. 1 (1989), pp. 47-60; and Lisbeth B. Schorr with Daniel Schorr, Within Our Reach: Breaking the Cycle of Disadvantage (New York: Doubleday, 1988).

[19] Steven D. Gold, David M. Smith, and Stephen B. Lawton, Public School Finance Programs of the United States and Canada, 1993-94, American Education Finance Association and Center for the Study of the States, the Nelson A. Rockefeller Institute of Government, State University of New York (Albany: 1995).

[20] States may not require the funds generated by formula weights to actually be spent in the program areas for which they are generated.

Federal Funding for Education

In fiscal year 1997, the federal government spent about $37 billion on elementary and secondary education.[22] The Department of Education provides most of these funds. The states' education agencies receive most of the funds and then allocate them to local districts.[23] Programs funded this way include those for disadvantaged children, children with disabilities, drug-free schools, math and science, vocational education, and migratory education. Department of Education funding provided directly to districts included impact aid, bilingual education, and Indian education. Among other federal agencies that spend substantial amounts on elementary and secondary education are USDA through its child nutrition programs and HHS through its Head Start and other programs.

Most federal funding for elementary and secondary education is targeted to disadvantaged and poor children. For example, the Department of Education's title I grants that provide compensatory services for disadvantaged students accounted for about $7.2 billion of the federal funding for education in fiscal year 1997, and USDA's child nutrition programs for low-income students accounted for about $8.3 billion. Title I has anchored the Elementary and Secondary Education Act since it was first enacted in 1965. USDA began providing child nutrition programs with the enactment of the National School Lunch Act of 1946 and later expanded its effort under the Child Nutrition Act of 1966.

Members of the Congress have recently considered more flexible approaches for funding federal education programs as a way to possibly consolidate duplicative programs and eliminate regulations seen as unnecessarily limiting local flexibility. Education programs serving disadvantaged students, including title I, are possible candidates for this approach. The Congressional Research Service recently noted that among the unresolved issues concerning such approaches are the amount of flexibility that would be allowed states or localities in using these federal funds and the extent to which recipients would be held accountable for achieving certain outcomes.[24]

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[21] For more discussion on this matter, see School Finance: Three States' Experiences With Equity in School Funding (GAO/HEHS-96-39, Dec. 19, 1995) and Deborah A. Verstegen and Terry Whitney, "From Courthouses to Schoolhouses: Emerging Judicial Theories of Adequacy and Equity," Educational Policy, Vol. 11, No. 3 (1991), pp. 330-52.

[22] Federal Support for Education: Fiscal Years 1980 to 1997, U.S. Department of Education, National Center for Education Statistics, NCES 97-383 (Washington, D.C.: Sept. 1997).

[23] For information on state education agencies' use of federal education funds, see Education Finance: Extent of Federal Funding in State Education Agencies (GAO/HEHS-95-3, Oct. 14, 1995).

Extent of State and Federal Targeting

Most states targeted more funds to districts with large numbers of poor students, although the amount of such funding varied widely. In most states, federal funds were more targeted than state funds, which resulted in increasing the overall amount of additional funding for each poor student.

State Funds Target Poor Students in Most States

Regardless of whether a state's school finance system explicitly targeted poor students, the effect was to target more state funds to poor students in 43 of the 47 states in our analysis. State school finance systems may have targeted poor students either directly through compensatory programs or indirectly through other programs, such as bilingual education, which may serve a high proportion of poor students.[25]

The amount of extra state funding districts received for each poor student varied widely. On average, for every $1 a state provided in education aid for each student in a district, the state provided an additional $.62 per poor student.[26] At the high end, New Hampshire provided an extra $6.69 per poor student; at the low end, four states provided no additional funding per poor student.

Federal Funds Were More Targeted Than State Funds in Most States

Federal funding was more targeted to poor students than state funding in 45 of the 47 states.[27] On average, for every $1 of federal funding districts received for each student, they received an additional $4.73 in federal funding per poor student. The amount of additional federal funding districts received for each poor student varied widely. At the high end, districts in Alaska received an additional $9.04 in federal funding; at the low end, districts in West Virginia received an additional $2.59.

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[24] Wayne Riddle, Education Block Grant Proposals: Possible Options and Issues, Congressional Research Service (Washington, D.C.: Jan. 18, 1995).

[25] Our measure of poor student targeting included any extra funds that districts may have received for poor students as the result of state programs or formulas that provide additional funds to help offset a district's education costs. Such programs or formulas would include those that address the cost of (1) educating students with special needs, such as those with disabilities; (2) delivering a particular curriculum, such as vocational education programs; or (3) transporting students in sparsely populated areas. Our measure of targeting controls for the additional funds districts received as a result of states' targeting funds to low tax base districts, that is, districts with limited ability to raise revenues as measured by income per pupil (see app. II).

[26] This is the median, which means that half the states provided more than this amount and half provided less.

[27] In two states (Missouri and New Hampshire), federal funds were targeted to poor students but to a lesser extent than state funds. These two states led all states in state targeting.

In general, the greater federal targeting had the effect of raising the additional funding for poor students from the state-only average of $.62 to a combined state and federal average of $1.10, a 77-percent increase. This increase reflects that most states' relatively small share of federal funds was highly targeted. Again, states varied widely in the amount of combined targeting that occurred, ranging from an additional $7.41 for poor students in Missouri to an additional $.27 in West Virginia.

In three states, the addition of federal funding increased funding for poor students but did not enhance the state targeting effort. In one state (New Hampshire), the addition of federal funding yielded less combined targeting for a poor student.[28] The other two states (Nevada and New York) did not target poor students, and the addition of the relatively small amount of targeted federal funding did not raise the combined targeting effort above zero.

Table 1 shows each state's amount of state and federal targeting and the amount of targeting when state and federal funding are combined.

Table 1: Comparison of Targeting Efforts, School Year 1991-92

	Amount of targeting for each poor student[a]		
State	**State funding**	**Federal funding[b]**	**Combined state and federal funding[b]**
Alabama	$.27	$3.65	$.92
Alaska	1.81	9.04	2.42
Arizona	.50	4.91	1.10
Arkansas	.29	3.85	.76
California	1.15	4.43	1.59
Colorado	.27	5.69	.57
Connecticut	1.53	6.99	1.89
Delaware	.38	3.15	.56
Florida	.62	4.18	.75
Georgia	.40	4.35	.81
Idaho	.66	4.73	1.10

(continued)

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[28] Combined state and federal targeting may be less than state targeting alone when federal funding is not as targeted as state funding.

	Amount of targeting for each poor student[a]		
State	State funding	Federal funding[b]	Combined state and federal funding[b]
Illinois	2.01	5.93	3.08
Indiana	.78	4.93	1.19
Iowa	.91	4.72	1.27
Kansas	.18	5.79	.52
Kentucky	.59	2.91	.87
Louisiana	.14	2.98	.70
Maine	.86	6.81	1.43
Maryland	.04	6.19	.38
Massachusetts	2.98	6.43	3.60
Michigan	2.71	5.49	3.11
Minnesota	.96	6.57	1.25
Mississippi	.22	2.68	1.03
Missouri	5.97	5.18	7.41
Montana	.00	4.52	.54
Nebraska	.39	3.49	.70
Nevada	.00	2.85	.00
New Hampshire	6.69	4.69	5.50
New Jersey	3.45	6.50	4.03
New Mexico	.00	3.30	.28
New York	.00	4.44	.00
North Carolina	.53	4.97	1.05
North Dakota	.78	8.39	2.53
Ohio	1.48	5.66	2.19
Oklahoma	.76	3.96	1.09
Oregon	1.57	4.29	2.32
Pennsylvania	1.31	6.73	1.89
Rhode Island	.23	3.92	.42
South Carolina	.21	4.46	.66
South Dakota	1.30	4.89	2.51
Tennessee	.31	4.24	1.16
Texas	.39	3.71	.58
Utah	.02	6.52	.59
Virginia	.93	5.27	1.29
Washington	.70	6.28	1.11
West Virginia	.09	2.59	.27
Wisconsin	1.20	5.14	1.55
Median	$.62	$4.73	$1.10

(Table notes on next page)

[a] This is the amount of extra funding provided per poor student for every dollar of funding provided for each student.

[b] In our analysis, federal impact aid is considered part of local funding, so this amount does not include the effect of federal impact aid funding.

Effect of State and Federal Targeting

The addition of state and federal funds had the effect of reducing or eliminating the local funding gap between high- and low-poverty districts in most states. In 37 states, high-poverty districts had less local funding per weighted pupil[29] than low-poverty districts. State funding eliminated this funding gap in 7 states[30] and reduced it in the remaining 30 states. The addition of the more targeted federal funds eliminated the funding gap in another 9 states[31] and further reduced it in the 21 states that still had funding gaps. A substantial number of poor students lived in these 21 states, however. Although targeting poor students helped reduce the total funding gap, the percentage of total education funding provided by state and federal governments was more important in reducing the gap. States with a greater state and federal share of education funding had smaller total funding gaps.

Most States Had Local Funding Gaps

High-poverty districts had less local funding per weighted pupil than low-poverty districts in 37 states.[32] Separating all school districts into five groups on the basis of increasing poverty rates reveals the size of the gaps

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[29] Weighting of pupils reflects our adjusting the total number of students to account for students who cost more to educate. Our weighted pupil count was adjusted for poor students and students with disabilities. On the basis of our poor student targeting results, we assigned a weight of 1.6 to poor students. We assigned a weight of 2.3 to students with disabilities, the same as that used by the Department of Education in its study, Disparities in Public School Spending, 1989-90. See apps. I and V.

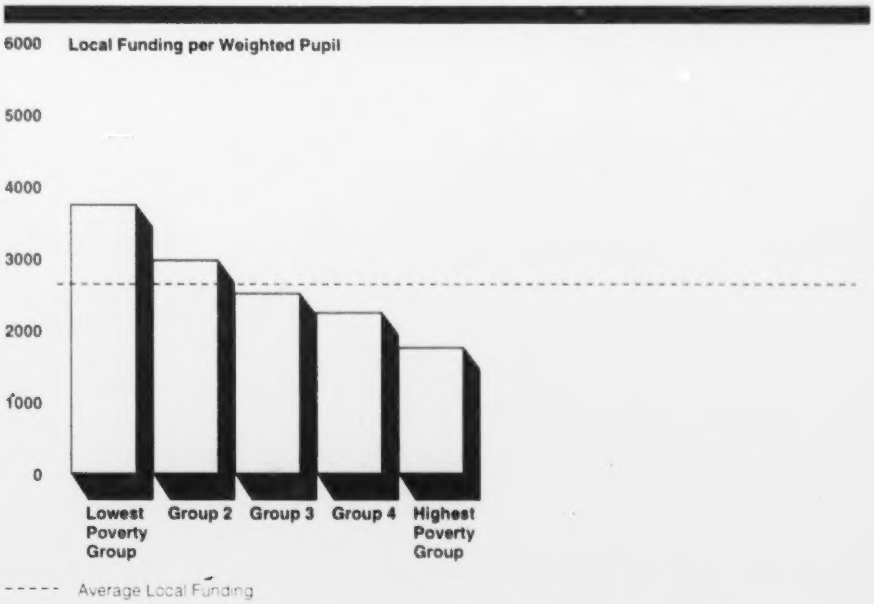
[30] These seven states were Delaware, Georgia, Idaho, Missouri, Oklahoma, South Dakota, and Washington. In Missouri, the addition of state funding led to total funding per pupil in the high-poverty districts slightly exceeding that in the low-poverty districts.

[31] These nine states were Arizona, Arkansas, Florida, Kansas, Kentucky, Louisiana, Maine, Mississippi, and South Carolina.

[32] Among the remaining 10 states, local funding levels in 8 states were not statistically different among high- and low-poverty districts. In the other two states, local funding levels in high-poverty districts exceeded the levels in low-poverty districts.

(see fig. 3).[33] The average local funding per weighted pupil in the lowest poverty districts was $3,739 compared with $1,751 in the highest poverty districts. The lowest poverty districts nationwide had about 114 percent more local funding than the highest poverty districts. This gap occurred even though the highest poverty districts in 30 states made a greater tax effort than the lowest poverty districts.

Figure 3: National Distribution of Local Funding (in Dollars) **by Poverty Group, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

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[33] For this analysis, we grouped each state's student population into five groups. These groups were determined by ranking a state's districts according to increasing proportions of poor students and then dividing these districts into five groups, each with about the same number of students. We defined lowest poverty districts as those districts in the first group and highest poverty districts as those in the fifth group. Normally, each group consisted of about 20 percent of the students. In some states, however, the five groups may have differed greatly in the number of students because districts cannot be statistically divided into smaller units. In a few states, one district (for example, New York City) accounted for more than 20 percent of the student population and represented the entire group. Nevada was divided into only four groups because of the distribution of the student population, with the highest poverty group being group 4.

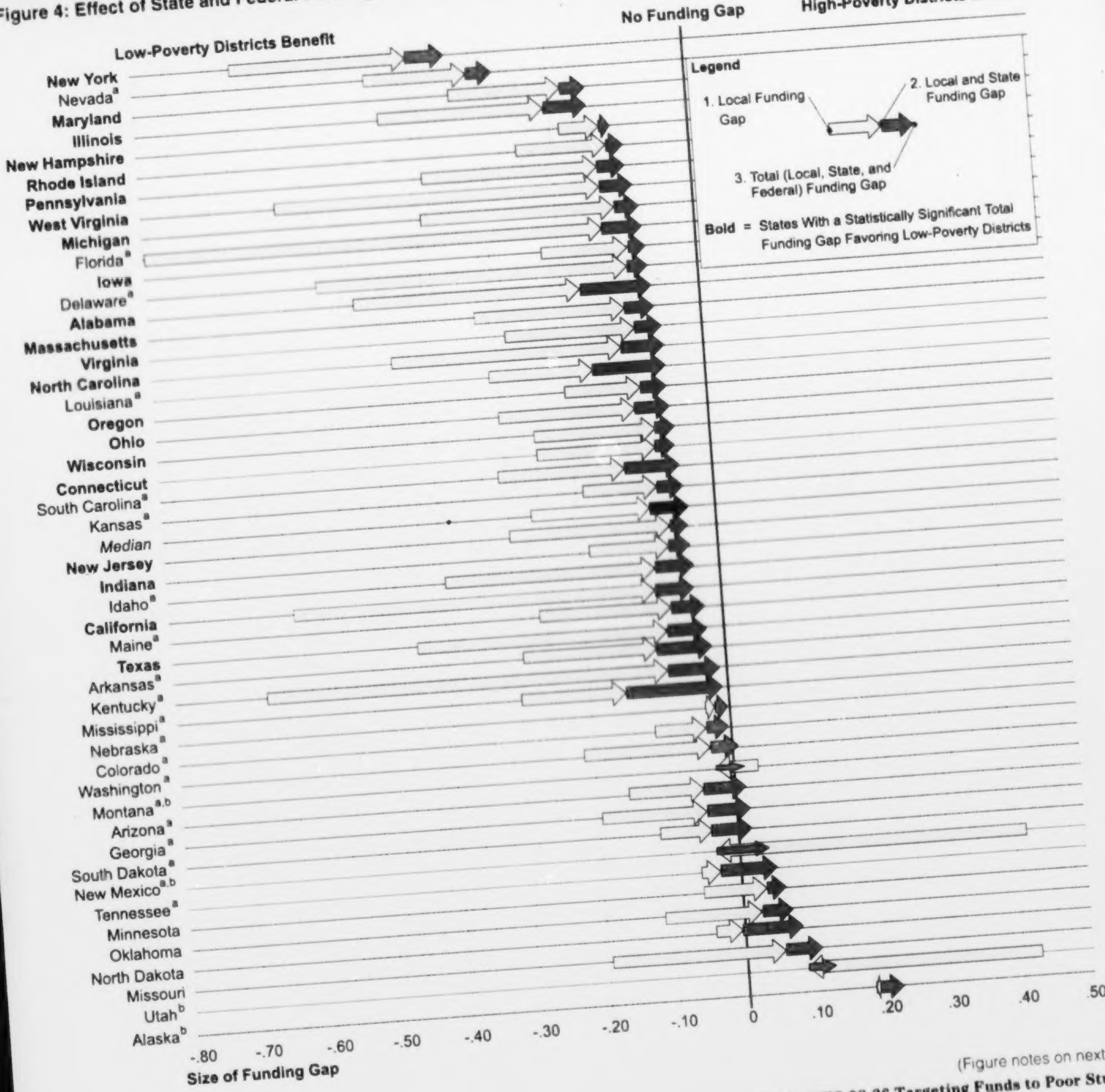
State and Federal Funding Reduced or Eliminated Funding Gaps in Most States

Combined state and federal funding had the effect of eliminating the funding gap in 16 of the 37 states where the local funding per weighted pupil was less in high- than low-poverty districts. Combined state and federal funding reduced the funding gap in the remaining 21 states.

The arrows in figure 4 show the effects of combined state and federal funding on closing the local funding gap between high- and low-poverty districts. The light arrow indicates the effect of state funding on closing the funding gap; the dark arrow indicates the effect of federal funding. The zero line (0) of the figure indicates no funding gap between high- and low-poverty districts. States whose funding gaps are represented by negative values are those where higher poverty districts had less funding per weighted pupil; states whose funding gaps are represented by positive values are those where higher poverty districts had more funding per weighted pupil. The further the value is from the zero line, the greater the funding gap.

The legend in figure 4 describes three points that mark the progress of state and federal funds in closing the funding gap. The tail end of the state arrow represents the size of the local funding gap. The second and third points measure the size of the gap that remains after state funds and then federal funds are added. For example, New York's local funding gap of about –.65 indicates that local funding levels were less in high-poverty than in low-poverty districts. Moving to the zero line, the addition of state funds reduced the gap to –.40. The addition of federal funds reduced the gap further to about –.35. (See app. V for more information on each state's points and the statistical significance of each.)

Figure 4: Effect of State and Federal Funding on Closing Local Funding Gaps



(Figure notes on next page)

Note: No funding gap = 0. Negative points indicate that higher poverty districts had less funding per weighted pupil; positive points indicate that higher poverty districts had more funding per weighted pupil. Each point is the elasticity of funding per weighted pupil to a district's proportion of poor students. The analyses control for statewide differences in geographic cost and student need. (The exact data points appear in table V.1 in app. V. Table V.2 reports the total funding gaps between the highest and lowest poverty districts.)

[a] The total (local, state, and federal) funding point was not statistically different from 0.

[b] High-poverty districts made a great enough tax effort to create a local funding advantage compared with low-poverty districts, resulting in a positive local funding point.

Figure 4 shows that most states had a funding pattern like New York's, with state funding favoring high-poverty districts. In some cases, state funds favored high-poverty districts so much that the resulting distribution of funds favored high-poverty districts (it passed the zero line). In some states, the local funding levels in high-poverty districts already exceeded those in the low-poverty districts.[34] In these states, state funding offset or reduced this imbalance. Finally, in all states, federal funding favored the high-poverty districts regardless of the distribution of state and local funds.

Despite State and Federal Efforts, Funding Gaps Remained

The national distribution of education resources shown in figure 5 provides another perspective on the size of the gaps nationwide and the effect of state and federal funding in closing them.[35] (See also table 2.) When we compared the distribution of local funds of the lowest and highest poverty districts (see fig. 3), the lowest poverty districts had about 114 percent more local funding per weighted pupil than the highest poverty districts nationwide. States helped considerably in closing this funding gap, reducing it to 25 percent. The addition of federal funds had the greatest effect on the highest poverty districts and reduced the gap to about 15 percent.

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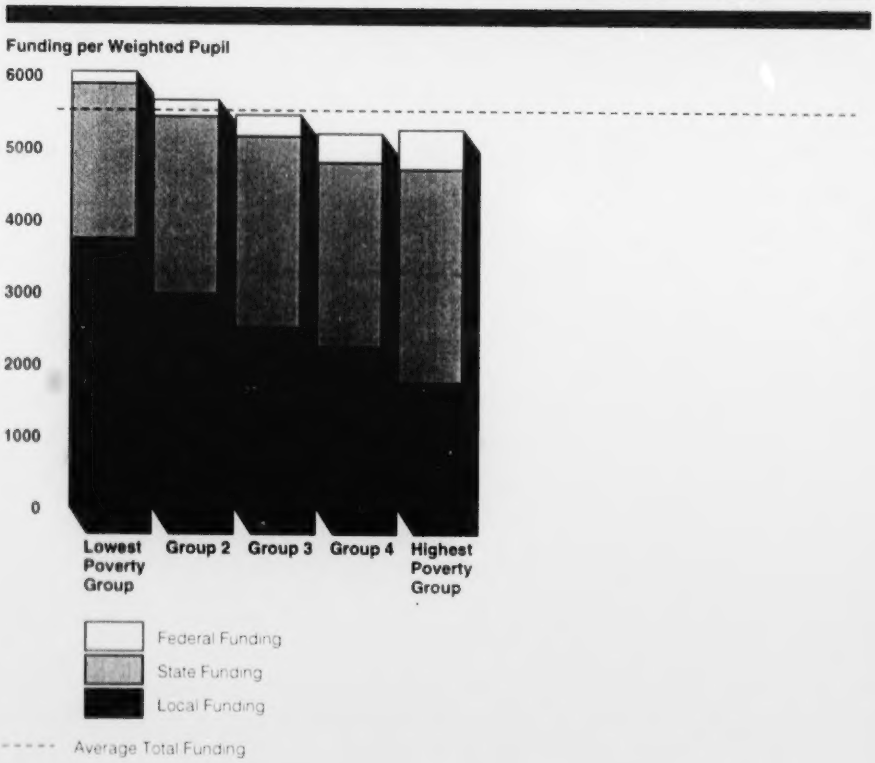
[34] In states where the local funding levels in high-poverty districts were greater than those in low-poverty districts, the high-poverty districts made a greater tax effort than the low-poverty districts.

[35] The five groups all have about the same number of students.

Figure 5: National Distribution of Education Funding (in Dollars) by Poverty Group, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

Table 2: National Distribution of Education Funding by Poverty Group, School Year 1991-92

		Mean funding per weighted pupil					Percent difference (group 1 compared with group 5)[b]
		Lowest poverty				Highest poverty	
Funding source	National average	Group 1	Group 2	Group 3	Group 4	Group 5	
Local[a]	$2,638	$3,739	$2,967	$2,507	$2,239	$1,751	114
State	2,556	2,145	2,465	2,652	2,561	2,956	
Subtotal	**$5,194**	**$5,883**	**$5,432**	**$5,160**	**$4,801**	**$4,708**	**25**
Federal[a]	323	159	222	292	397	545	
Total	**$5,517**	**$6,042**	**$5,655**	**$5,452**	**$5,198**	**$5,252**	**15**

Note: Numbers may not add due to rounding. Funding has been adjusted for statewide differences in geographic and student need-related costs.

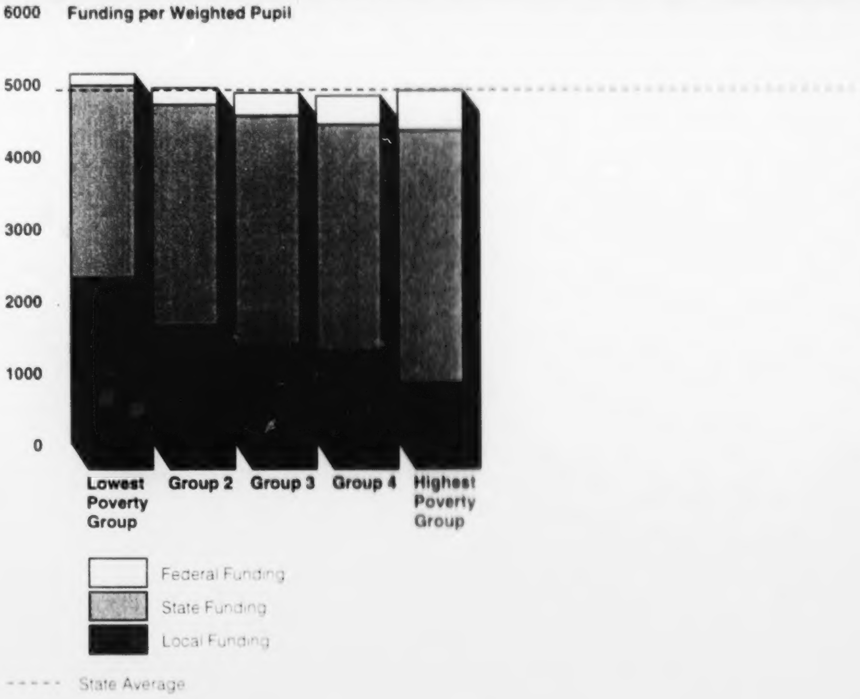
[a] Federal impact aid is considered part of local funding.

[b] This percentage is determined by dividing the difference between the lowest and highest poverty groups by the highest poverty group, for example, ($3,739 - $1,751)/$1,751 for local funding.

Large State and Federal Share of Total Funding Helped Reduce Funding Gap

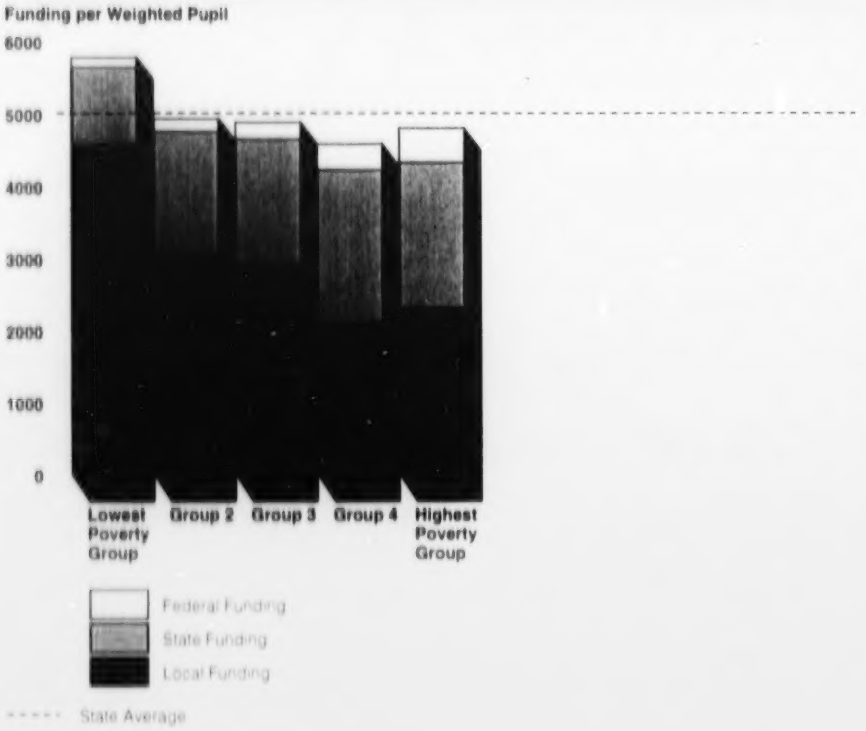
A relatively high combined state and federal share of total funding enhanced state and federal targeting efforts to close the funding gap. Figures 6 and 7 illustrate this point. Both California and Virginia had about the same average total funding per weighted pupil and the same combined state and federal targeting rate per poor student. However, California's state and federal share was much larger (about 71 percent) than Virginia's (about 39 percent). This difference reduced California's funding gap to one smaller than Virginia's. The highest poverty districts in California received $237 less in total funding per weighted pupil than the lowest poverty districts; in Virginia, the highest poverty districts received $970 less than the lowest poverty districts.

Figure 6: High State and Federal Share of Education Funding Helps Reduce Funding Gap (in Dollars) (California, School Year 1991-92)



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

Figure 7: Low State and Federal Share of Education Funding Limits Reduction of Funding Gap (in Dollars) (Virginia, School Year 1991-92)



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

The size of the combined state and federal share of total funding was more important in closing the funding gap than the extent to which these funds were targeted to poor students. This proved to be the case in an analysis we conducted to assess the effect of factors that influence the size of the funding gap. Many states eliminated their funding gaps even though they had relatively low targeting efforts in part because they had higher than average state and federal shares of total funding. Conversely, many states did not close their funding gaps even though they had relatively high targeting efforts in part because they had relatively low state and federal shares of total funding. Despite state and federal efforts to close the funding gap, the most important factor determining the size of the gap was the tax effort of high-poverty districts compared with low-poverty districts.[36]

Funding Gaps Affected Many Poor Students

Although state and federal funding closed or eliminated the funding gaps between high- and low-poverty districts, the gaps that remained in the 21 states affected a significant portion of the nation's poor students. Nearly two-thirds of the students in our study were in these 21 states, and about 64 percent of the nation's poor students attended public schools in these states.

Information on the state and federal targeting amounts and the effect of state and federal funding on the funding gaps in school year 1991-92 appears in the state profiles in this report (see apps. VI through LIII). Each profile also provides the amount of local, state, and federal funding available for districts in five groups of approximately equal numbers of students arranged in increasing proportions of poor students as well as other demographic information.

Changes in State and Federal Targeting Since School Year 1991-92

We contacted state school finance officials in the 47 states to determine whether school finance systems had changed in ways that would affect the funding patterns of school year 1991-92. By school year 1995-96, only 16 states reported making changes that would target more funds to high-poverty districts. Ten states reported no change in targeting, 19 states reported no targeting of high-poverty districts, and 2 states reported targeting less funding to high-poverty districts. Eight of the 47 states reported increasing their state share of education funding by 6 percentage points or more. Appendix LIV summarizes the changes states made between school years 1991-92 and 1995-96.

Although greater targeting has been limited to a minority of states since school year 1991-92, federal funding formulas have changed, which would result in a continued pattern of greater targeting. Federal education officials have reported increased targeting to high-poverty districts resulting from changes in title I legislation and regulations that went into effect in July 1995. Title I, the largest federal education program, provides funding for disadvantaged students. In addition, other federal programs allocate funds on the basis of title I formulas. The changes in title I would increase the relative funding for high-poverty districts from these other programs. Appendix LV discusses changes in federal funding to the states since school year 1991-92 in greater detail.

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[36] The analysis of the 47 states showed that the combined state and federal share of total funding, the combined state and federal effort to target districts with high concentrations of poor students, the poverty elasticity of the tax base, and the poverty elasticity of tax effort accounted for 57 percent of the variation in the total funding gaps among high- and low-poverty districts. All variables were statistically significant (see app. V).

Conclusions

Federal funding for education, which primarily serves the needs of poor and disadvantaged students, is generally more highly targeted to poor students than more multipurpose state funding. In allocating funds to districts, state officials must balance the needs of poor students with those of many other high-cost student groups such as special education students. States also generally try to offset differences in localities' ability to raise education revenues. The states' wide range in targeting to poor students indicates that different states balance the needs of poor students with all other needs in different ways. Furthermore, the many lawsuits alleging inequities in state school finance systems illustrate that states are under constant pressure to meet the needs of many and often conflicting interest groups. In this context, any proposal to consolidate federal education funding into grants that give more discretion to states would need to consider that the targeting of those federal funds might become more like that of the state funds. That is, the federal funds—and the combination of federal and state funds—might become less targeted to poor students.

In assessing states' performance in financing the education needs of poor students, policymakers need to look beyond state efforts to target poor students and consider the combined state and federal share of total education funds. A low state targeting effort does not necessarily mean that a large funding gap exists between a state's high- and low-poverty districts, according to our analysis. Rather, a relatively high overall share of state and federal funding can reduce the gap.

Agency Comments

The Department of Education reviewed a draft of this report and agreed with our finding that federal funding was generally more targeted to poor students than either state funding or combined state and federal funding. As suggested by the Department, we clarified the wording used to describe federal targeting and incorporated technical comments as appropriate.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to appropriate congressional committees and members of the Congress, the Secretary of Education, and other interested parties.

Please contact me on (202) 512-7014 or Eleanor L. Johnson, Assistant Director, on (202) 512-7209 if you or your staff have any questions. GAO contacts and staff acknowledgments appear in appendix LVI.

Carlotta Joyner

Carlotta C. Joyner
Director, Education and
Employment Issues

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Abbreviations

CCD	Common Core of Data
HHS	Department of Health and Human Services
USDA	U.S. Department of Agriculture

Scope and Methodology Overview

The objectives of this study were to determine (1) the extent to which state and federal funding is targeted to poor students and (2) the effect of state and federal funding on the amount of funds available to high-poverty compared with low-poverty districts. To help answer these questions, we used school year 1991-92 district-level data from the Department of Education, the most recent available, supplemented by data from the 1990 census and directly from states. We used standard school finance measures and accounted for geographic differences in education costs and student need among school districts. We supplemented our analysis by contacting federal and state education officials to determine the extent to which federal funding patterns and the states' school finance systems had changed since 1991-92. We conducted our work between March and December 1997 in accordance with generally accepted government auditing standards.

Scope

For this study, we conducted a district-level analysis of all states except Hawaii, Vermont, and Wyoming.[37] We wanted our analysis to examine state funding for regular school districts with students in kindergarten through twelfth grade, so we excluded from the analysis administrative districts and districts serving unique student populations, such as vocational or special education schools.[38] We also excluded from our analysis a number of small districts that had extreme outlying values of income per pupil.[39] Finally, we excluded districts that lacked data for critical variables such as poverty level. The final database used in our analysis of the 47 states contained 14,140 districts with a total of 41,011,102 students, representing 99.2 percent of the public school students in the 47 states.

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[37] Hawaii's state school system is considered one district, so no comparisons can be made about state allocations to different districts. Similarly, the District of Columbia and five U.S. territories (American Samoa, Guam, Northern Marianas, Puerto Rico, and Virgin Islands) have one-district systems and were not included in our analysis. We did not analyze targeting in Vermont because approximately 55 percent of the federal funding was channeled through administrative districts excluded from our analysis. We excluded Wyoming from our analysis because we could not adequately model its school finance system.

[38] That is, we excluded districts in the Common Core of Data with agency type codes 3 to 7 and school district codes 4 to 7.

[39] To identify outlier, we used the method developed by David A. Belsley, Edwin Kuh, and Roy E. Welsch, Regression Diagnostics: Identifying Influential Data and Sources of Collinearity (New York: John Wiley and Sons, 1980), pp. 27-30. Specifically, we used the DFBETA statistic as the basis for deleting outlying observations. A total of 49 districts were excluded as outliers because of their extreme values of income per pupil. No districts were excluded because of extreme values of poverty rates.

Data Sources

We based this study mainly on revenue and demographic data obtained from the Department of Education's Common Core of Data (CCD) for the 1991-92 school year, the most current data available for a national set of districts. Data for the CCD were submitted by state education agencies and edited by the Education Department. We obtained district per capita income and population data directly from the 1990 census because they were not available in the CCD.

We used revenue data from all sources in the analysis, including funding for capital expenditures and debt service. Federal revenue included funding from all Department of Education sources, although we considered federal impact aid to be local revenue in our analysis because states typically consider funding from this program as part of a district's local education resources. We also included federal revenue from other departments that had revenue reported in the CCD, including funding for Head Start from HHS and for USDA's child nutrition programs.[40]

For variables in our analysis that had missing or incomplete data, we obtained the data directly from state education offices. For example, we obtained district-level data for students with disabilities for school year 1991-92 directly from the state education offices for nine states because the CCD either did not report the number of these students in the states or reported a number substantially different from another Education Department source.[41] We also obtained district-level data on federal revenue from seven states for similar reasons.[42] We made further edits on the basis of consultations with Department of Education experts.

In some cases, we imputed critical data when they were missing and not available from other sources. We imputed income per pupil data for 199 districts in California because the per capita income data needed to compute this control variable were not reported by these districts.[43] We also imputed cost index data for 310 districts, including 18 in Alaska and 72 in New York (mainly Suffolk County).[44] The imputation method we used to impute cost index data was based on the recommendation of the school finance expert who developed the cost index.

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[40] Federal revenue included the cash payments from USDA's child nutrition programs but excluded the value of program commodities.

[41] The CCD did not report data on students with disabilities for Kentucky, Ohio, Oklahoma, Pennsylvania, and Virginia. The CCD provided data on students with disabilities for Illinois, Indiana, Louisiana, and New Jersey that differed by at least 15 percent and by at least 3,500 students from what the U.S. Department of Education's Office of Special Education and Rehabilitative Services reported for school year 1991-92.

[42] We obtained total federal revenue for each district for school year 1991-92 from state officials in Alaska, Ohio, Rhode Island, and Texas. We obtained data on federal impact aid from the Department of Education for Delaware, Mississippi, North Dakota, and Ohio.

[43] We developed a formula to predict the income per pupil of the missing districts by running a regression between income per pupil and median housing value for districts in California whose median housing value was at least $5,000.

We conducted structured telephone interviews with state school finance officials to determine the extent to which states had changed their school finance systems since school year 1991-92. We did not, however, verify the accuracy of the officials' statements. We also interviewed federal officials and reviewed supporting documentation about changes in federal funding programs since school year 1991-92.

Adjustments for Differences in Geographic and Student Need-Related Costs

Education costs vary by school district in a state (and nationwide) because of geographic differences in the cost of educational resources. For example, some districts have a lower cost of living, which may reduce the cost of their education resources. As a result, we used a district-level teacher cost index developed for the National Center for Education Statistics to develop a method to adjust for statewide geographic differences in resource costs.[45]

Districts with high proportions of students with special needs, such as those with disabilities and the poor, generally have higher education costs than average because such students require additional educational services. When adjusting our analysis for statewide differences in student need, we made adjustments that weighted students with disabilities and poor students according to their need for additional services. We gave students with disabilities a weight of 2.3 because the cost of educating these children is generally 2.3 times the cost of educating children who do not need such services. We gave poor students a weight of 1.6 because this

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[44] Cost index values for these districts were imputed using the value from a district in the same or a similar county with a similar enrollment.

[45] We used an adjusted form of the teacher cost index described in Public School Teacher Cost Differences Across the United States, Department of Education, National Center for Education Statistics, Analysis/Methodology Report No. 95-758 (Washington, D.C.: Oct. 1995). For a more complete discussion of the adjustments we made to account for geographic differences, see School Finance: State Efforts to Reduce Funding Gaps Between Poor and Wealthy Districts (GAO/HEHS-97-31, Feb. 5, 1997), app. II.

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was the median state weight in our analysis.[46] Using these weights, we developed a district-level need index adjusted for statewide differences.[47]

Methodology

To measure the extent to which state funding was targeted to districts on the basis of the number of poor students, we estimated the additional state funding per poor student a district received for every dollar of state funding received for each student. To estimate the additional funding per poor student, we developed a statistical model of the distribution of state funding to local school districts. The model describes the distribution of state funds as if a fixed percentage of the funds was allocated to districts on the basis of the number of poor students and the remaining percentage was allocated on the basis of the total number of students. The model also describes the targeting of state funds to districts with low tax bases. Thus, the model accounts for both student needs-based targeting related to the number of poor students and targeting to low tax base districts.

By modeling the distribution of state funds this way, we measured the additional state funds that districts received per poor student compared with every dollar received for each student, while statistically removing any additional funding districts may have received due to the size of their local tax base. In addition, the model allowed us to measure state targeting policies that either directly targeted funding to districts on the basis of the number of poor students or indirectly targeted funding on the basis of other student needs such as limited-English proficiency programs that may serve poor students.

We used the same general model to determine the extent to which federal funding and combined state and federal funding were targeted to districts on the basis of the number of poor students. However, when determining the targeting of just federal funding, we did not control for differences in local tax bases because none of the federal funds included in our analysis were allocated on the basis of local tax bases.

In appendix II, we describe the statistical model used to estimate state and federal targeting based on the number of poor students. In appendix III, we use the model to estimate the additional funding districts received that was targeted directly or indirectly to poor students but controlling for the additional funding districts may have received as a result of tax base targeting. Appendix IV analyzes how each state's estimate of poor student targeting would change if we controlled for funding that indirectly targeted poor students as in states that target students with disabilities. Throughout these analyses we adjusted state and federal funding for statewide differences in geographic costs and used income per student to measure local tax bases,[48] also adjusted for geographic costs. In estimating these targeting amounts, we weighted each observation by the district's size to allow districts with larger enrollments to have more effect on the results.

---

[46] The poor student weight estimate of 1.6 falls about midway between those estimated by school finance experts who have used such weights in their studies. Depending on the type of services provided, the experts have estimated that the additional cost for educating poor students ranges from 20 to 100 percent of the average per pupil cost. Such estimates are equivalent to poor student weights ranging from 1.2 to 2.0.

[47] For a more complete discussion of how we developed this index, see GAO/HEHS-97-31, Feb. 5, 1997, app. II.

To measure the effect of state and federal funding on closing the funding gap between high- and low-poverty districts, we estimated the elasticity of each state's districts' per pupil funding with respect to districts' poverty rate, that is, the proportion of a district's total enrollment that is poor.[49] We estimated separate elasticities for local funding only; local and state funding combined; and local, state, and federal funding combined. Observing the change in the elasticity as state funding and then federal funding were added to local funds quantitatively measures the effect of state and federal funding on funding gaps between high- and low-poverty districts. We adjusted these analyses for differences in statewide geographic costs and student need. In estimating these elasticities, we weighted each observation by the district's size to allow districts with larger enrollments to have more effect on the results. Appendix V details this process.

To determine the factors most closely associated with the nationwide differences in states' funding gaps between high- and low-poverty districts, we used multiple regression techniques. We estimated several models that used each state's elasticity of districts' pupil funding to districts' poverty rate as the dependent variable. We included the following state-level variables as possible explanatory variables (see app. V):

- the combined additional state and federal funding targeted to districts on the basis of the district's number of poor students,

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[48] A better income measure of a district's ability to raise revenue for education would include commercial and other nonresidential income in addition to personal income. However, no national database has such district-level data for all states. Therefore, we used total income from the 1990 census to determine per pupil income. For a more complete discussion of this issue, see GAO/HEHS-97-31, Feb. 5, 1997, pp. 44-5.

[49] This elasticity measures the average percent change in per pupil funding for a 1-percent increase in a district's proportion of poor students.

- the extent to which state funding is targeted to low tax base districts,
- combined state and federal funding as a percentage of total funding,
- the tax effort of low-poverty compared with high-poverty districts in a state, and
- the tax base of low-poverty compared with high-poverty districts in a state (as measured by income per pupil).

Whenever we included more than one independent variable in a regression routine, all the variables were entered into the analysis at the same time.

Appendixes VII through LIII provide profiles of each state's school finances in school year 1991-92. The profiles provide information on state and federal funding, the targeting of additional state and federal funding for poor students, differences in the tax effort of high- and low-poverty districts, and the effect of funding on closing the funding gap. Appendix VI is a detailed guide to the state profiles.

Because we relied on funding data from the 1991-92 school year, we telephoned states' school finance officials to determine how state school finance systems had changed from school years 1991-92 through 1995-96. We specifically asked about changes that would affect the amount of funding provided to districts with high proportions of poor students. We also telephoned federal officials responsible for the major education programs and reviewed program documents to determine how changes in regulations or legislation may have changed federal funding to poor students. Appendixes LIV and LV present the results of these efforts.

Appendix II

Model for Estimating the Targeting of Funds to Poor Students

State school finance systems typically provide funds to school districts to account for differences in student needs and ability to raise education revenues. Because poor students are generally recognized as having special education needs that increase the cost of their education, many states try to offset these costs by targeting additional funds to districts with high numbers of poor students. Meanwhile, states try to compensate for the limited ability of districts with low tax bases to raise education revenues by targeting additional state funds to such districts.[50] Poor students reside in poor and wealthy districts alike.[51] Therefore, when estimating a state's effort to target poor students, accounting for state policies that target additional funds to low tax base districts is also important.

This appendix describes the statistical model we used to estimate state efforts to target additional funding to poor students, while controlling for targeting to low tax base districts. In the first section, we describe how we modeled a district's total student need on the basis of the number of all students and poor students. In the second section, we incorporate the total student need of districts into a more general model of state funding that also compensates for differences in districts' tax bases. This general model assumes that states target additional funds to low tax base districts to equalize the funding among poor and wealthy school districts.

Modeling Districts' Total Student Need Relative to Poor Students

States typically distribute state funds to school districts on the basis of school district enrollment. To allow for policies that provide additional funding to districts on the basis of the number of poor students, we introduce an implicit cost weight (ω) that reflects the additional state funding provided to each poor student in the district. A district's total student need (total enrollment with additional weight given to the number of poor students) is represented by the following equation:

Equation II.1

$$\text{Total Student Need}_i = N_i + \omega P_i$$

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[50] For an analysis of states' policies to reduce funding gaps between wealthier and poorer school districts, see School Finance: State Efforts to Reduce Funding Gaps Between Poor and Wealthy Districts (GAO/HEHS-97-31, Feb. 5, 1997).

[51] The weighted correlation between district poverty rate and district income per pupil (our measure of a district's tax base) was -.357, signifying that as districts' poverty rates increased, districts' income per pupil decreased.

where

N_i = a district's student enrollment count

P_i = a district's count of poor students

ω = the state's implicit cost weight associated with a poor student.

The implicit cost weight (ω) can be interpreted as follows: If the state expense for educating an average student were normalized to \$1, then ω represents the additional state expense for educating a poor student. For example, if a poor student were 50 percent more expensive for the state to educate than an average student, then ω would equal \$.50.

Our research objective was to estimate the implicit cost weight associated with poor students. We refer to this cost weight as an implicit weight because it must be inferred from data on the actual distribution of state funds to local districts. In addition, it should be noted that poor students represent the model's only student need factor other than total enrollment. By not controlling for other student need factors (for example, limited-English proficiency or gifted students), our estimate of the implicit cost weight reflects any additional state funding systematically related to the number of poor students in local school districts.[52]

To estimate the implicit cost weight from data on the distribution of state funding to local school districts, we first express student needs as a grant formula. If state funds were distributed simply on the basis of enrollment with additional funding for poor students, then a district's share of total state funding (Grant Share_i) could be expressed as its share of the state's total student need (Need Share_i) as in equation II.2:

Equation II.2

$$\text{Grant Share}_i = \text{Need Share}_i = \frac{N_i + \omega P_i}{\sum_i (N_i + \omega P_i)}$$

---

[52] The next section of this app. shows how we account for targeting based on differences in districts' tax bases.

To estimate ω using linear regression methods, we had to express a *district's share of the state's total student need (Need Share$_i$) as a linear* function of enrollment and the number of poor students. We accomplished this by first expanding equation II.2 to equation II.3:

Equation II.3

$$\text{Need Share}_i = \frac{N_i}{\sum_i (N_i + \omega P_i)} + \frac{\omega P_i}{\sum_i (N_i + \omega P_i)}$$

Multiplying the first term in equation II.3 by $\Sigma N_i / \Sigma N_i$ and the second by $\Sigma P_i / \Sigma P_i$ does not change the value of the expression and allows us to express a district's share of total student need as a weighted sum of the district's share of enrollment ($N_i / \Sigma N_i$) and its share of poor children ($P_i / \Sigma P_i$):

Equation II.4

$$\text{Need Share}_i = \frac{N_i}{\sum_i N_i} \cdot \left(\frac{\sum_i N_i}{\sum_i (N_i + \omega P_i)} \right) + \frac{P_i}{\sum_i P_i} \cdot \left(\frac{\sum_i \omega P_i}{\sum_i (N_i + \omega P_i)} \right)$$

Note that the terms in parentheses sum to one and can be interpreted as formula weights applied to a district's share of total enrollment and its share of poor students. Equation II.4 can now be written more simply as follows:

Equation II.5

$$\text{Grant Share}_i = \text{Need Share}_i = w_0 \frac{N_i}{\sum_i N_i} + w_1 \frac{P_i}{\sum_i P_i}$$

where

w_0 = the formula weight relative to the district's share of total state enrollment, and

$$w_0 = \left(\frac{\sum_i N_i}{\sum_i (N_i + \omega P_i)} \right)$$

w_1 = the formula weight relative to the district's share of the state's total number of poor students, and

$$w_1 = \left(\frac{\sum_i \omega P_i}{\sum_i (N_i + \omega P_i)} \right)$$

and

$$w_0 + w_1 = 1.$$

Dividing both sides of equation II.5 by each district's share of total enrollment ($N_i/\Sigma N_i$) yields an expression for each district's relative per pupil grant that also serves as an index of student needs. The following equation demonstrates that, in our simple model of student needs, a district's per pupil grant would be linearly related to the proportion of poor students in the districts:

Equation II.6

$$\frac{g_i}{\bar{g}} = n_i = w_0 + w_1 \frac{r_i}{\bar{r}}$$

where

g_i = a district's per pupil grant ($\bar{g}$ = the state average per pupil grant)

n_i = a district's student need index (an index value of 1.0 would indicate that the district's proportion of poor students equals the state's average proportion of poor students)

r_i = a district's proportion of poor students (P_i/N_i); ($\bar{r}$ = the state average proportion of poor students ($\Sigma P_i/\Sigma N_i$)).

Because the implicit cost weight (ω) depends on the formula weights w_0 and w_1, we derive the implicit cost weight by solving the expressions for w_0 and w_1 in equation II.6 for the implicit cost weight ω. This yields the following equation:

Equation II.7

$$\omega = \frac{w_1}{(1 - w_1)\bar{r}}$$

where

$\bar{r}$ = the state average proportion of poor students ($\Sigma P_i/\Sigma N_i$).

Incorporating Student Needs Into a General Foundation Equalization Model

The implicit cost weight associated with poor students (ω) could be estimated by applying linear regression techniques to the model in equation II.6. However, this would not account for state targeting to poor students that may also offset differences in local tax bases. Consequently, the model in equation II.6 could bias the estimate of the implicit cost weight because it would not control for the effects of tax base targeting that coincide with poor student-based targeting. To obtain an unbiased estimate of the implicit cost weight, we modeled the distribution of state funding using a foundation equalization model like that used in our earlier report.[53]

With foundation equalizing grants, states seek to enable all school districts to finance a minimum amount of total funding per pupil (the foundation funding level) with a uniform minimum tax effort. An important implication of this standard is that state funding must be targeted to school districts with low tax bases per student. States can adjust the foundation level to account for differences in geographic and student need-related costs.

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[53] GAO/HEHS-97-31, Feb. 5, 1997.

Our modeling approach is to use the state's average total funding per pupil as a benchmark against which to estimate the foundation funding level that a state's school finance policies can implicitly support. A state's average total funding level represents the highest level of total funding per pupil that a state can support with the amount of both state and local resources it devotes to education (it is impossible to guarantee all districts an above average funding level).[54]

Under a foundation equalizing system that supports an implicit foundation level equal to the average total funding per pupil ($\bar{e}$), districts would receive a total state equalizing grant (G_i) according to the following:

Equation II.8

$$\text{Equalizing Grant} = G_i = \gamma N_i c_i n_i \bar{e}\left[1 - \beta\alpha\left(\frac{v_i}{c_i n_i \bar{v}}\right)\right]$$

where

G_i = total state funding in a district

γ = a scalar that ensures that the total sum of state funding equals the total amount of state funds available for distribution

N_i = a district's enrollment count

c_i = a district's input cost index that reflects geographic differences in, for example, the cost of teachers

n_i = a district's student need index defined in equation II.6

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[54] As a note of caution, we are not advocating that a state should guarantee the state average, but we use the state average as a benchmark for measuring the minimum funding level the state implicitly provides with the state's education resources.

$\bar{e}$ = a state's average total funding per pupil (the maximum funding level that can be attained by equalizing all available state and local funding)

α = the locally financed share of total funding

β = equalization factor (β=1 signifies maximum equalization and β=0 implies none)

v_i = a district's tax base per pupil.

The state average total funding per pupil serves as a benchmark funding level. Given this benchmark, the quantity represented by ($N_i c_i n_i \bar{e}$) is the dollar amount of total funding a school district needs to finance this benchmark level.

The implicit foundation level, that is, the minimum total funding per pupil (expressed in real dollars), is given by $\gamma\bar{e}$. Note that this level is a fraction (γ) of the state average total funding level. In our earlier report, we showed that the scalar γ depends on the state financing share (1-α) and the equalization factor β through the following relationship:[55]

Equation II.9

$$\gamma = \left(\frac{1-\alpha}{1-\beta\alpha}\right)$$

Notice that the scalar equals 1 if the equalization factor β also equals 1. Thus, the implicit foundation level equals the state average funding level when β=1 and falls below the state average when β is less than 1.[56]

The equalization model can be expressed as a linear regression model by substituting the expression for n_i in equation II.6 and the expression for γ in equation II.9 into equation II.8. Dividing both sides of the resulting equation by an expression for the average state grant per pupil ($\bar{g}$ = (1-α)$\bar{e}$) and rearranging some terms yields the following regression model:

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[55] GAO/HEHS-97-31, Feb. 5, 1997, pp. 61-8.

[56] See GAO/HEHS-97-31, Feb. 5, 1997, app. IV, for a complete discussion of the equalization aspects of this model.

Equation II.10

$$\frac{g_i}{c_i\bar{g}} = \frac{w_0}{1-\beta\alpha} + \frac{w_1}{1-\beta\alpha}\frac{r_i}{\bar{r}} - \frac{\beta\alpha}{1-\beta\alpha}\frac{v_i}{c_i\bar{v}} + \epsilon_i$$

where

g_i = a district's state grant per pupil ($\bar{g}$ = average state grant per pupil)

r_i = a district's proportion of poor students ($\bar{r}$ = the proportion of all students in a state who are poor students)

v_i = a district's tax base per pupil ($\bar{v}$ = state average)

c_i = a district's input cost index that reflects geographic differences in, for example, the cost of teachers

ε_i = an error term to reflect differences in relative state grant amounts unrelated to poor students and tax bases.

Because the formula weights (w_0 and w_1) sum to 1, the intercept and the two coefficients in equation II.10 also sum to 1. Therefore, the regression model should be estimated by constraining these coefficients accordingly. In addition, because we expect states to target additional funds to districts with higher percentages of poor students and to those with low tax bases, we also constrain these coefficients to be greater than or equal to 0 and less than or equal to 0, respectively.

Because we have included income per pupil as a control variable, our coefficient on poor students does not reflect state policies that target low tax base districts. However, we purposefully excluded control variables that would capture other student needs and costs from the model. This allows the regression coefficient on poor students to capture the effects of other student needs and costs to the extent they are correlated with poor students. Consequently, our estimate of poor student targeting captures the effects of state targeting policies that, for example, provide aid for children with limited-English proficiency, children with disabilities, and for sparsely populated districts that have higher transportation costs to the extent that they are correlated with poor students.[57]

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[57] In app. IV, we report the results of a sensitivity analysis that attempts to control for many of these other student need and cost factors.

An important implication of the equalization model in equation II.10 is that the regression coefficient on poor students depends on the formula weight w_1, the equalization factor β, and the local funding share α. However, the implicit cost weight ω depends only on the formula weight w_1 and the state percentage of poor students, as shown in equation II.7. The implicit cost weight ω is independent of the equalization factor β and the local share of education funding in the state α. Therefore, to estimate the unbiased implicit cost weight of poor students, that is, an estimate that controls for the effects of low tax base targeting, the estimate must satisfy the conditions expressed in equations II.7 and II.10. The steps for calculating this unbiased implicit cost weight follow: (1) estimate the regression model in equation II.10 with the constraints described above; (2) derive the value of $\beta\alpha$ from the tax base coefficient in equation II.10; (3) derive the formula weight w_1 from the coefficient on poor students in equation II.10; and (4) knowing the formula weight w_1, use equation II.7 to calculate the implicit cost weight ω.

Estimating State and Federal Targeting

Our goal was to estimate states' and federal targeting of additional funding to districts on the basis of the number of poor students. This appendix presents the statistical results of estimating the grant targeting model described in appendix II. It presents estimates of grant targeting on the basis of the number of poor students for (1) state funding alone, (2) federal funding alone, and (3) combined state and federal funding. We estimated the grant targeting by including the additional funds that districts received for each poor student from programs that target poor students directly through compensatory programs, or indirectly, through, for example, programs that target limited-English proficiency students. Appendix IV shows how the grant targeting estimates would change after controlling for some indirect targeting based on other student needs.

Targeting of State Funds

As described in appendix II, we began by estimating the model summarized in equation II.10, reproduced here as equation III.1, for each of the 47 states included in our analysis:

Equation III.1

$$\frac{g_i}{c_i\,\bar{g}} = \frac{w_0}{1-\beta\alpha} + \frac{w_1}{1-\beta\alpha}\,\frac{r_i}{\bar{r}} - \frac{\beta\alpha}{1-\beta\alpha}\,\frac{v_i}{c_i\,\bar{v}} + \epsilon_i$$

where

g_i = a district's state grant per pupil ($\bar{g}$ = average state grant per pupil)

r_i = a district's proportion of poor students ($\bar{r}$ = the proportion of all students in the state who are poor)

v_i = a district's tax base per pupil ($\bar{v}$ = state average)

c_i = a district's input cost index that reflects geographic differences in, for example, the cost of teachers

ϵ_i = an error term to reflect differences in relative state grant amounts unrelated to poor students and tax bases.

Recall from appendix II that the coefficient on district tax bases reflects the state's tax base targeting policy, and w_p represents the share of student need accounted for by poor students (see equation II.5). Given the formula weight w_p, we then use equation II.7 to calculate the implicit cost weight associated with poor students.

We used state funding per pupil adjusted for statewide differences in the cost of teachers as the dependent variable. The two independent variables were a district's proportion of poor students and a district's income per pupil adjusted for statewide differences in the cost of teachers. All variables were expressed in index form relative to their respective state averages (see app. I for a more detailed discussion of the data used). We weighted the regressions for a district's enrollment size. The regression coefficients and their associated standard errors appear in table III.1 along with the R squares of the model.

Table III.1: Regression Results Used to Determine Implicit Cost Weight of State Funding

	Poor student index		Tax base index[a]			
State	Regression coefficient[b]	Standard error	Regression coefficient[c]	Standard error	R squared[d]	R squared standard error
Alabama	.064	.029	-.037[e]	.042	.069	.126
Alaska	.202	.073	-.203[e]	.153	.389	.234
Arizona	.117	.030	-.236	.026	.408	.256
Arkansas	.081	.019	-.205	.027	.263	.145
California	.190	.015	-.090	.009	.284	.234
Colorado	.061[e]	.033	-.618	.064	.391	.252
Connecticut	.198	.027	-.440	.061	.549	.338
Delaware	.052[e]	.120	-.162[e]	.111	.265	.123
Florida	.163[e]	.086	-.580	.080	.634	.150
Georgia	.103	.025	-.399	.047	.412	.181
Idaho	.111	.046	-.179	.043	.218	.150
Illinois	.280	.016	-.128	.016	.397	.342
Indiana	.103	.012	-.082	.028	.268	.127
Iowa	.120	.015	-.080	.027	.167	.128
Kansas	.036[e]	.043	-.497	.075	.155	.365
Kentucky	.165	.018	-.272	.024	.775	.081
Louisiana	.044[e]	.041	-.041[e]	.042	.052	.093
Maine	.136	.056	-.294	.067	.124	.393
Maryland	.008[e]	.032	-.650	.094	.788	.098
Massachusetts	.390	.026	-.375	.056	.627	.307

(continued)

	Poor student index		Tax base index[a]			
State	**Regression coefficient[b]**	**Standard error**	**Regression coefficient[c]**	**Standard error**	**R squared[d]**	**R squared standard error**
Michigan	.457	.027	-.428	.051	.556	.433
Minnesota	.158	.017	-.510	.031	.490	.231
Mississippi	.069	.025	-.015[e]	.012	.066	.117
Missouri	.504	.028	.000	.047	.407	.408
Montana	.000	.029	.000	.025	.000	.326
Nebraska	.060	.015	-.257	.028	.137	.247
Nevada	.000	.447	-.934	.330	.375	.218
New Hampshire	.502	.126	-.490	.149	.182	.844
New Jersey	.296	.016	-.055	.025	.462	.357
New Mexico	.000	.090	.000	.090	.000	.188
New York	.000	.019	-.675	.031	.431	.303
North Carolina	.090	.020	-.090	.033	.326	.081
North Dakota	.119	.022	-.052[e]	.055	.155	.193
Ohio	.238	.012	-.189	.023	.544	.191
Oklahoma	.171	.015	-.243	.022	.353	.173
Oregon	.204	.049	-.059[e]	.051	.075	.337
Pennsylvania	.212	.011	-.271	.020	.643	.156
Rhode Island	.048[e]	.050	-.673	.182	.423	.208
South Carolina	.062	.028	-.464	.049	.608	.099
South Dakota	.228	.042	-.189[e]	.112	.283	.288
Tennessee	.067	.022	-.126	.032	.202	.103
Texas	.151	.024	-.714	.035	.465	.366
Utah	.004[e]	.053	-.313	.078	.318	.133
Virginia	.173	.027	-.564	.047	.677	.198
Washington	.100	.020	-.104	.025	.161	.177
West Virginia	.028[e]	.077	-.229	.093	.231	.120
Wisconsin	.178	.015	-.229	.026	.413	.222

[a] We defined tax base as income per pupil.

[b] This is the elasticity of state funding relative to the percentage of a district's poor students controlling for district income. An elasticity of 0 signifies no targeting. The poor student index coefficient in all states was constrained to be greater than or equal to .000.

[c] This is the elasticity of the state funding relative to district income controlling for districts' percentage of poor students. An elasticity of 0 signifies no targeting. A negative elasticity indicates that state funding increases as district income decreases. The tax base index coefficient in all states was constrained to be less than or equal to .000.

[d] This is the proportion of the variation in the dependent variable explained by the independent variables.

[e] Statistically, the coefficient is not significantly different from 0.

Given the estimated tax base coefficients in equation III.1, we then solved for the expression $1-\beta\alpha$. From this, we derived the formula weight w_1 from the estimated regression coefficient on poor students. We then calculated the implicit cost weight using equation II.7. The results of these calculations appear in table III.2.

Table III.2: State Formula Weights and Implicit Cost Weights Associated With Poor Students

State	Formula weight for state funding[a]	Implicit cost weight for state funding[b]
Alabama	6.1%	$.27
Alaska	16.8	1.81
Arizona	9.5	.50
Arkansas	6.7	.29
California	17.5	1.15
Colorado	3.8	.27
Connecticut	13.8	1.53
Delaware	4.4	.38
Florida	10.3	.62
Georgia	7.3	.40
Idaho	9.4	.66
Illinois	24.8	2.01
Indiana	9.5	.78
Iowa	11.1	.91
Kansas	2.4	.18
Kentucky	12.9	.59
Louisiana	4.2	.14
Maine	10.5	.86
Maryland	0.5	.04
Massachusetts	28.4	2.98
Michigan	32.0	2.71
Minnesota	10.4	.96
Mississippi	6.8	.22
Missouri	50.4	5.97
Montana	0.0	.00
Nebraska	4.8	.39
Nevada	0.0	.00
New Hampshire	33.7	6.69
New Jersey	28.1	3.45
New Mexico	0.0	.00
New York	0.0	.00

(continued)

State	Formula weight for state funding[a]	Implicit cost weight for state funding[b]
North Carolina	8.3	.53
North Dakota	11.3	.78
Ohio	20.0	1.48
Oklahoma	13.7	.76
Oregon	19.2	1.57
Pennsylvania	16.7	1.31
Rhode Island	2.9	.23
South Carolina	4.2	.21
South Dakota	19.2	1.30
Tennessee	6.0	.31
Texas	8.8	.39
Utah	0.3	.02
Virginia	11.0	.93
Washington	9.1	.70
West Virginia	2.3	.09
Wisconsin	14.5	1.20

[a] For each state, this is the proportion of a district's share of total student need represented by poor students.

[b] This is the amount of extra state funding per poor student a district received for every dollar of state funding received for each student.

The formula weights reported in table III.2 show a wide range of variation in the proportion of state funding allocated on the basis of the number of poor students. In Alabama, for example, state funding was distributed as if 6 percent of the targeting based on student need was allocated on the basis of the number of poor students in a district and 94 percent on the basis of a district's total enrollment. This formula weight is equivalent to providing Alabama school districts with an additional $.27 per poor student for every $1 allocated per student in a district.[58]

Overall, 43 of the 47 states in our analysis targeted additional funding either directly or indirectly to districts with poor students to some degree. The amount of extra funding that districts received varied substantially by state. On average, districts received an additional $.62 in state funding for each poor student.[59] At the high end, for every $1 of state aid provided for each student, New Hampshire provided an extra $6.69 per poor student; at the low end, four states (Montana, Nevada, New Mexico, and New York) provided no additional funding on the basis of the number of poor students. Figure III.1 shows each state's additional funding per poor student in ranked order.

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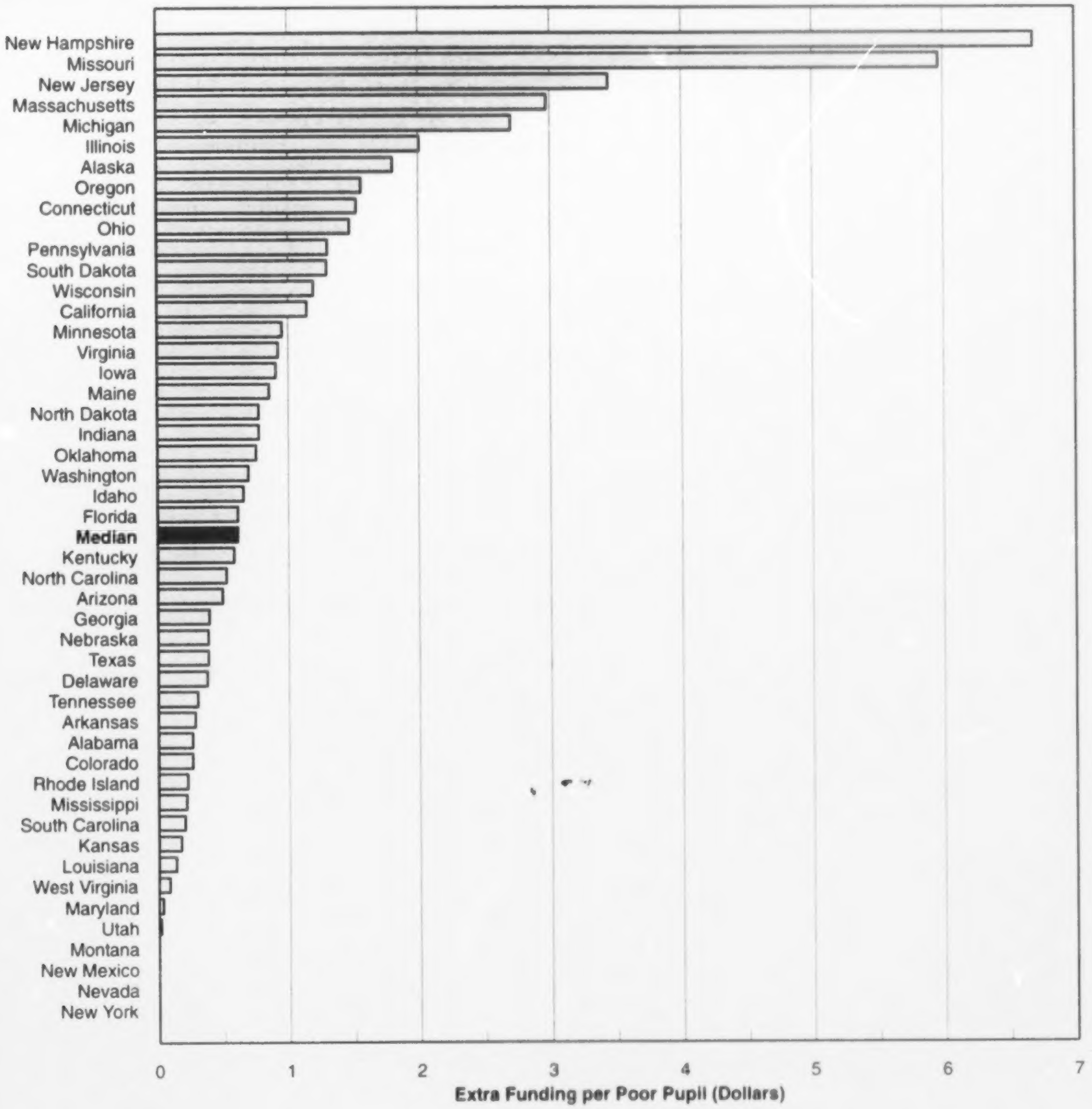
[58] We calculated this figure using the equation II.7 in app. II.

[59] The median state targeting was $.62.

Figure III.1: Targeting of State Funds to Poor Students, School Year 1991-92



Targeting of Federal Funds

To estimate the targeting of federal funds per poor student, we modeled the distribution of federal funding on the basis of total enrollment and the number of poor students as shown in equation II.10. However, a tax base variable was not included in the model because federal programs do not allocate funding on the basis of this factor. Therefore, $\beta\alpha$ equals 0, resulting in equation III.2. The dependent variable was the district's federal funding per pupil adjusted for statewide differences in teacher cost. The independent variable was the district's proportion of poor students. Each variable was expressed in index form relative to their respective state averages. The regressions were weighted for a district's enrollment size:

Equation III.2

$$\frac{g_i}{c_i \bar{g}} = w_0 + w_1 \frac{r_i}{\bar{r}} + \epsilon_i$$

The regression coefficients and their associated standard errors and the R squares from our analysis, along with the implicit cost weight associated with federal funding for poor students, appear in table III.3.

Table III.3: Regression Results and Implicit Cost Weight of Federal Funding

State	Regression coefficient[a]	Standard error	R squared[b]	Implicit cost weight for federal funding[c]
Alabama	.870	.046	.737	$3.65
Alaska	1.015	.117	.601	9.04
Arizona	1.030	.048	.711	4.91
Arkansas	.946	.040	.642	3.85
California	.816	.026	.512	4.43
Colorado	.843	.047	.654	5.69
Connecticut	.725	.020	.893	6.99
Delaware	.386[d]	.412	.059	3.15
Florida	.778	.071	.649	4.18
Georgia	.855	.042	.699	4.35
Idaho	.746	.093	.377	4.73
Illinois	.976	.016	.792	5.93
Indiana	.663	.035	.550	4.93
Iowa	.649	.038	.410	4.72
Kansas	.797	.042	.543	5.79
Kentucky	.731	.048	.575	2.91

(continued)

State	Regression coefficient[a]	Standard error	R squared[b]	Implicit cost weight for federal funding[c]
Louisiana	.948	.063	.783	2.98
Maine	.931	.155	.138	6.81
Maryland	.700	.038	.941	6.19
Massachusetts	.852	.022	.853	6.43
Michigan	.954	.016	.866	5.49
Minnesota	.798	.026	.701	6.57
Mississippi	.883	.046	.717	2.68
Missouri	.880	.030	.621	5.18
Montana	.881	.068	.262	4.52
Nebraska	.450	.027	.289	3.49
Nevada	.378[d]	.275	.112	2.85
New Hampshire	.355	.100	.075	4.69
New Jersey	.732	.013	.858	6.50
New Mexico	.910	.183	.223	3.30
New York	.820	.011	.894	4.44
North Carolina	.848	.077	.486	4.97
North Dakota	1.373	.154	.241	8.39
Ohio	.957	.022	.751	5.66
Oklahoma	.828	.045	.376	3.96
Oregon	.651	.075	.209	4.29
Pennsylvania	1.026	.025	.769	6.73
Rhode Island	.500	.045	.779	3.92
South Carolina	.928	.052	.781	4.46
South Dakota	.891	.073	.483	4.89
Tennessee	.866	.047	.721	4.24
Texas	.904	.016	.763	3.71
Utah	.789	.073	.756	6.52
Virginia	.704	.033	.779	5.27
Washington	.901	.074	.339	6.28
West Virginia	.662	.082	.551	2.59
Wisconsin	.722	.014	.857	5.14

(Table notes on next page)

[a] This is the elasticity of federal funding relative to the percentage of a district's poor students. A positive elasticity indicates that federal funding increased as a district's percentage of poor students increased.

[b] This is the proportion of the variation in the dependent variable explained by the independent variable.

[c] This is the amount of extra federal funding per poor student a district received for every dollar of federal funding received for each student. In our analysis, federal impact aid is considered part of local funding, so this weight does not include the effect of federal impact aid funding.

[d] Statistically, the coefficient is not significantly different from 0.

Federal funding was more targeted to poor students than state funds in 45 of the 47 states. On average, districts received an additional $4.73 in federal funding per poor student for every $1 of funding received by each student. This amount compares with an additional $0.62 in state funding.[60] The amount of additional federal funding varied widely. At the high end, Alaska provided an additional $9.04 in federal funding; at the low end, West Virginia provided an additional $2.59. In the two states with the highest state targeting effort (Missouri and New Hampshire), federal funds were targeted to poor students but to a lesser extent than state funds. Figure III.2 shows federal targeting in ranked order.

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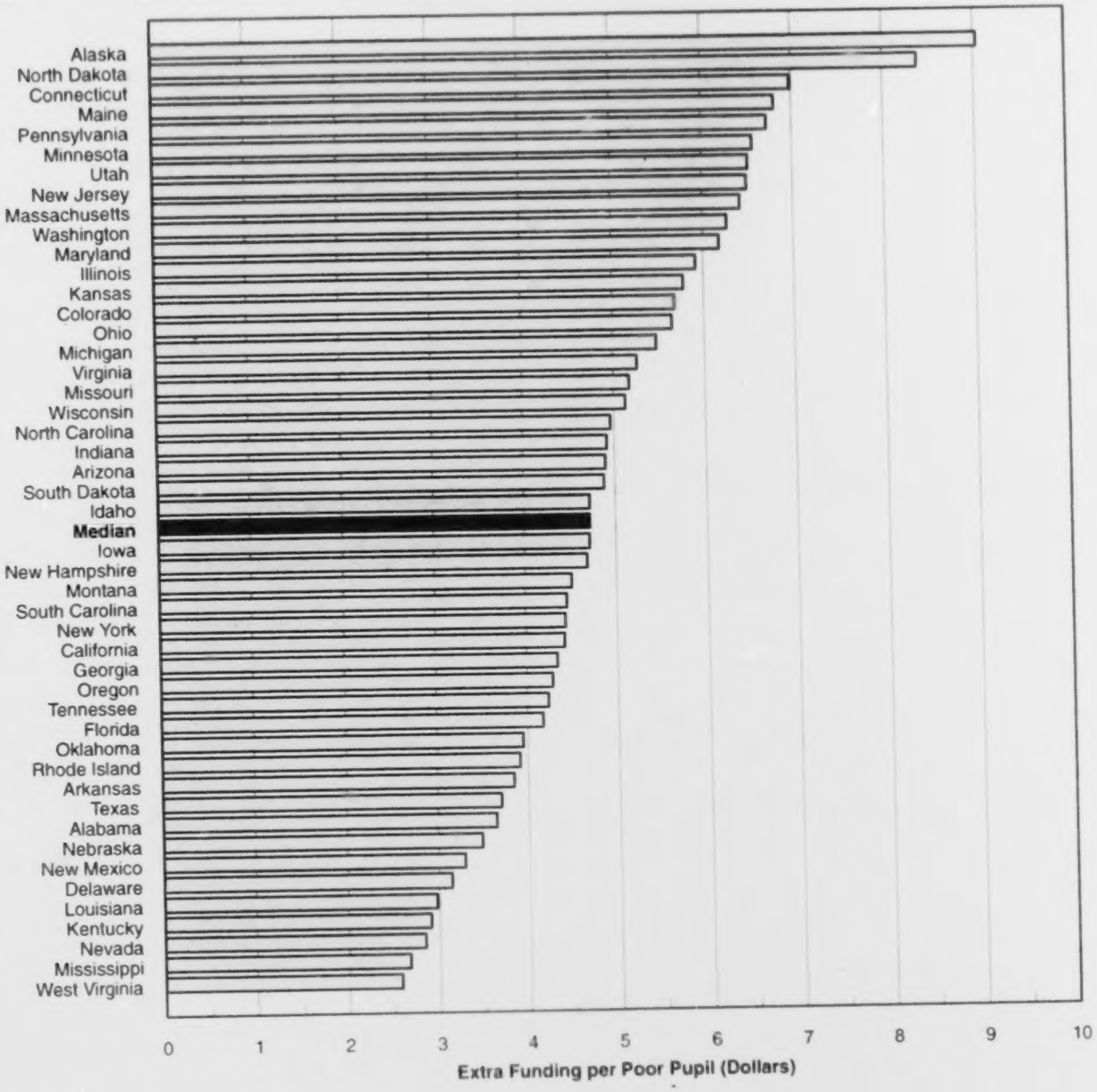
[60] The median federal targeting was $4.73.

Figure III.2: Targeting of Federal Funding to Poor Students, School Year 1991-92



Targeting of Combined State and Federal Funds

To estimate the targeting of combined state and federal funds, we estimated the model in equation III.1 using combined state and federal funding per pupil adjusted for statewide differences in the cost of teachers' salaries as the dependent variable. The two independent variables were a district's proportion of poor students and a district's income per pupil adjusted for statewide differences in the cost of teachers. Because federal funding is not targeted on the basis of income per pupil, we constrained the coefficient of the income per pupil variable to be the same as that in the regression for state funding alone. As before, each variable was expressed in index form relative to its respective state averages. All regressions were weighted on the basis of a district's enrollment.

The regression coefficients and their associated standard errors from our analysis appear in table III.4 along with the R squares of the model. The formula weight and implicit cost weight associated with combined state and federal funding for poor students appear in table III.5.

Table III.4: Regression Results Used to Determine Implicit Cost Weight of Combined State and Federal Funding

	Poor student index		Tax base index[a]		
State	Regression coefficient[b]	Standard error	Regression coefficient[c]	Standard error	R squared[d]
Alabama	.186	.028	-.037[e]	.041	.339
Alaska	.257	.074	-.203[e]	.153	.473
Arizona	.232	.028	-.236	.024	.533
Arkansas	.190	.018	-.205	.026	.434
California	.247	.015	-.090	.009	.365
Colorado	.127	.031	-.618	.059	.421
Connecticut	.237	.025	-.440	.057	.626
Delaware	.074[e]	.100	-.162[e]	.093	.405
Florida	.193	.080	-.580	.074	.651
Georgia	.193	.024	-.399	.045	.515
Idaho	.174	.047	-.179	.044	.266
Illinois	.379	.014	-.128	.013	.591
Indiana	.150	.012	-.082	.027	.416
Iowa	.161	.015	-.080	.028	.246
Kansas	.101	.040	-.497	.069	.193
Kentucky	.227	.021	-.272	.027	.764
Louisiana	.190	.038	-.041[e]	.038	.353
Maine	.212	.055	-.294	.066	.155

(continued)

	Poor student index		Tax base index[a]		
State	Regression coefficient[b]	Standard error	Regression coefficient[c]	Standard error	R squared[d]
Maryland	.068	.030	−.650	.088	.844
Massachusetts	.445	.023	−.375	.050	.721
Michigan	.501	.024	−.428	.046	.632
Minnesota	.199	.017	−.510	.030	.518
Mississippi	.257	.025	−.015[e]	.012	.440
Missouri	.558	.025	.000	.043	.509
Montana	.095	.027	.000	.023	.028
Nebraska	.104	.014	−.257	.026	.173
Nevada	.000	.419	−.934	.310	.376
New Hampshire	.439	.096	−.490	.114	.220
New Jersey	.330	.015	−.055	.024	.541
New Mexico	.072[e]	.091	.000	.091	.022
New York	.000	.017	−.675	.027	.474
North Carolina	.166	.022	−.090	.037	.495
North Dakota	.308	.033	−.052[e]	.084	.320
Ohio	.321	.011	−.189	.021	.689
Oklahoma	.230	.016	−.243	.023	.420
Oregon	.276	.044	−.059[e]	.045	.151
Pennsylvania	.284	.010	−.271	.019	.746
Rhode Island	.086[e]	.045	−.673	.164	.505
South Carolina	.176	.028	−.464	.049	.695
South Dakota	.373	.045	−.189[e]	.121	.436
Tennessee	.215	.022	−.126	.033	.515
Texas	.212	.022	−.714	.032	.530
Utah	.088[e]	.049	−.313	.073	.279
Virginia	.231	.026	−.564	.045	.706
Washington	.151	.019	−.104	.024	.251
West Virginia	.079[e]	.075	−.229	.090	.307
Wisconsin	.220	.014	−.229	.024	.504

(Table notes on next page)

[a] We defined tax base as income per pupil.

[b] This is the elasticity of state and federal funding relative to the percentage of a district's poor students controlling for district income. An elasticity of 0 signifies no targeting. The poor student index coefficient in all states was constrained to be greater than or equal to .000.

[c] This is the elasticity of the state and federal funding relative to district income controlling for a district's percentage of poor students. An elasticity of 0 signifies no targeting. A negative elasticity indicates that state funding increases as district income decreases. The tax base index coefficient in all states was constrained to be less than or equal to .000.

[d] This is the proportion of the variation in the dependent variable explained by the independent variables.

[e] Statistically, the coefficient is not significantly different from 0.

Table III.5: Combined State and Federal Funding Formula Weights and Implicit Cost Weights Associated With Poor Students

State	Formula weight for combined state and federal funding[a]	Implicit cost weight for combined state and federal funding[b]
Alabama	17.9%	$.92
Alaska	21.3	2.42
Arizona	18.8	1.10
Arkansas	15.7	.76
California	22.6	1.59
Colorado	7.8	.57
Connecticut	16.4	1.89
Delaware	6.4	.56
Florida	12.2	.75
Georgia	13.8	.81
Idaho	14.8	1.10
Illinois	33.6	3.08
Indiana	13.9	1.19
Iowa	14.9	1.27
Kansas	6.7	.52
Kentucky	17.8	.87
Louisiana	18.3	.70
Maine	16.4	1.43
Maryland	4.1	.38
Massachusetts	32.4	3.60
Michigan	35.1	3.11
Minnesota	13.2	1.25
Mississippi	25.3	1.03
Missouri	55.8	7.41
Montana	9.5	.54

(continued)

State	Formula weight for combined state and federal funding[a]	Implicit cost weight for combined state and federal funding[b]
Nebraska	8.3	.70
Nevada	0.0	.00
New Hampshire	29.5	5.50
New Jersey	31.3	4.03
New Mexico	7.2	.28
New York	0.0	.00
North Carolina	15.3	1.05
North Dakota	29.3	2.53
Ohio	27.0	2.19
Oklahoma	18.5	1.09
Oregon	26.1	2.32
Pennsylvania	22.3	1.89
Rhode Island	5.1	.42
South Carolina	12.0	.66
South Dakota	31.4	2.51
Tennessee	19.1	1.16
Texas	12.4	.58
Utah	6.7	.59
Virginia	14.8	1.29
Washington	13.6	1.11
West Virginia	6.4	.27
Wisconsin	17.9	1.55

[a] For each state, this is the proportion of a district's share of total student need represented by poor students.

[b] This is the amount of extra combined state and federal funding per poor student a district received for every dollar of combined state and federal funding received for each student. In our analysis, federal impact aid is considered part of local funding, so this weight excludes the effect of federal impact aid funding.

Greater federal targeting had the effect of raising the average state targeting from \$.62 to an average combined state and federal targeting of \$1.10, a 77-percent increase.[61] This increase reflects the fact that the relatively small share of federal funds was highly targeted in most states. Again, states' amounts of combined targeting varied widely, ranging from \$7.41 in Missouri to \$.27 in West Virginia. The addition of federal funding increased state targeting most in North Dakota ($1.75) and least in Florida ($.13).

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[61] The median for the combined state and federal targeting was \$1.10.

In three states, the addition of federal funding did not enhance the state's targeting effort. In New Hampshire, the addition of federal funding yielded less combined targeting for a poor student.[62] The other two states (Nevada and New York) did not target poor students, and the addition of the relatively small amount of targeted federal funding did not raise the combined targeting effort above zero.

Figure III.3 shows these results in ranked order. A comparison of the implicit cost weights of state funding alone and combined state and federal funding appears in table III.6.

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[62] Combined state and federal targeting can be less than state targeting alone when federal funding is not as targeted as state funding.

Figure III.3: Targeting of Combined State and Federal Funding to Poor Students, School Year 1991-92

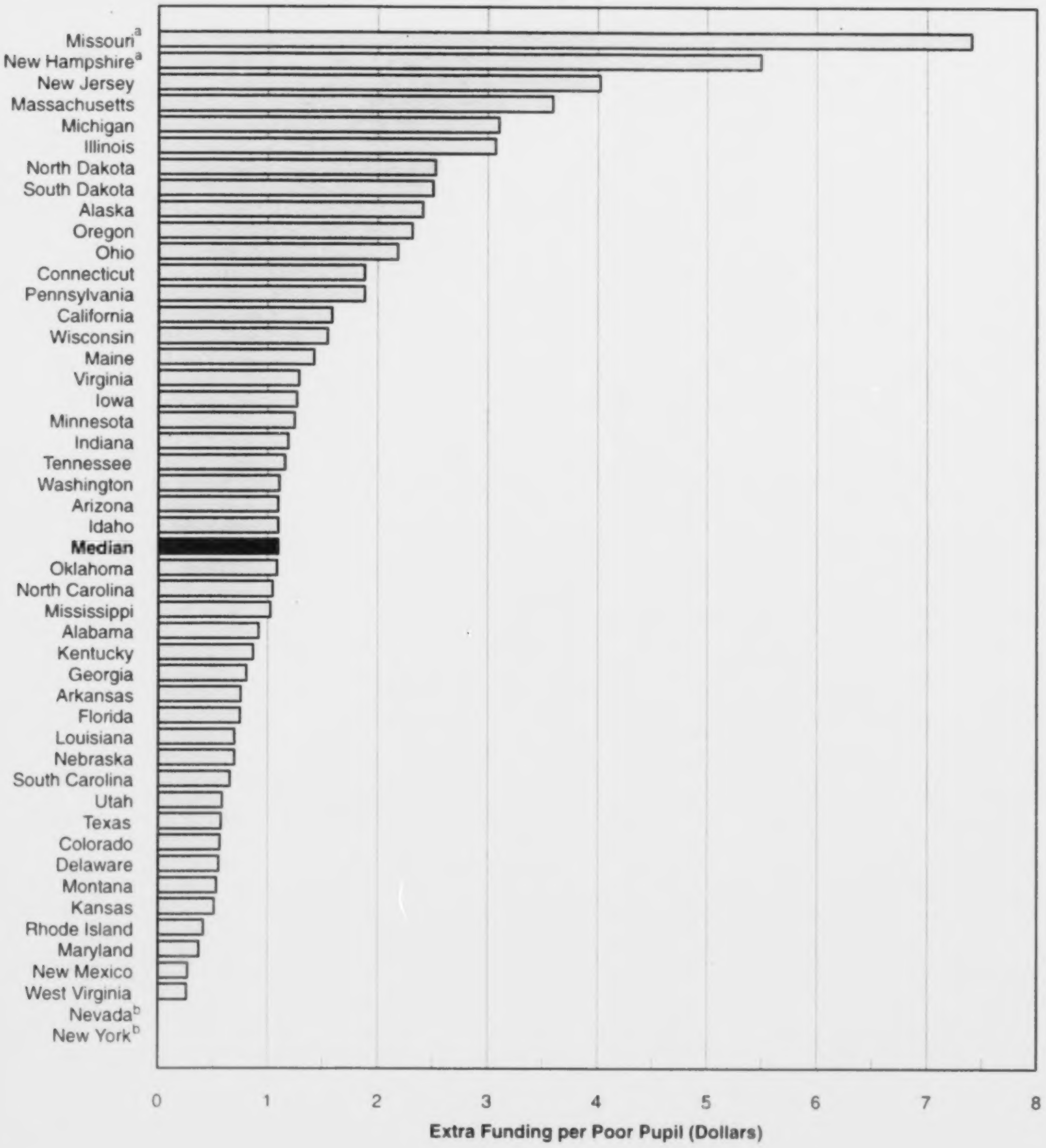

Table III.6: Comparison of Implicit Cost Weights

State	Implicit cost weight for state funding[a]	Implicit cost weight for combined state and federal funding[b]	Difference
Alabama	$.27	$.92	$.65
Alaska	1.81	2.42	.61
Arizona	.50	1.10	.60
Arkansas	.29	.76	.47
California	1.15	1.59	.44
Colorado	.27	.57	.30
Connecticut	1.53	1.89	.36
Delaware	.38	.56	.18
Florida	.62	.75	.13
Georgia	.40	.81	.41
Idaho	.66	1.10	.44
Illinois	2.01	3.08	1.07
Indiana	.78	1.19	.41
Iowa	.91	1.27	.36
Kansas	.18	.52	.34
Kentucky	.59	.87	.28
Louisiana	.14	.70	.56
Maine	.86	1.43	.57
Maryland	.04	.38	.34
Massachusetts	2.98	3.60	.62
Michigan	2.71	3.11	.40
Minnesota	.96	1.25	.29
Mississippi	.22	1.03	.81
Missouri	5.97	7.41	1.44
Montana	.00	.54	.54
Nebraska	.39	.70	.31
Nevada	.00	.00	.00
New Hampshire	6.69	5.50	-1.19
New Jersey	3.45	4.03	.58
New Mexico	.00	.28	.28
New York	.00	.00	.00
North Carolina	.53	1.05	.52
North Dakota	.78	2.53	1.75
Ohio	1.48	2.19	.71
Oklahoma	.76	1.09	.33

(continued)

State	Implicit cost weight for state funding[a]	Implicit cost weight for combined state and federal funding[b]	Difference
Oregon	1.57	2.32	.75
Pennsylvania	1.31	1.89	.58
Rhode Island	.23	.42	.19
South Carolina	.21	.66	.45
South Dakota	1.30	2.51	1.21
Tennessee	.31	1.16	.85
Texas	.39	.58	.19
Utah	.02	.59	.57
Virginia	.93	1.29	.36
Washington	.70	1.11	.41
West Virginia	.09	.27	.18
Wisconsin	1.20	1.55	.35
Median	$.62	$1.10	$.48

[a] This is the amount of extra state funding per poor student a district received compared with each dollar of state funding received for each student.

[b] This is the amount of extra combined state and federal funding per poor student a district received compared with each dollar of combined state and federal funding received for each student. In our analysis, federal impact aid is considered part of local funding, so this weight excludes the effect of federal impact aid funding.

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Targeting When Considering Other Student Needs

Our primary concern was to measure the extent to which states target additional funds to school districts to compensate for the higher cost of educating poor students, while controlling for state policies that target more funds to low tax base districts. In measuring state targeting to poor students, we wanted to measure the state's targeting effort regardless of whether it was an explicit state policy or the result of targeting other types of student needs that may be correlated with poor students. However, estimating the extent to which states target more funds to districts on the basis of the number of poor students could also be done by holding other types of student needs constant. To measure this type of targeting, we expanded our modeling of student need by including additional student need factors.

To account for additional student need factors, we modified equation II.5 to include each district's share of (1) high school students, (2) students with an Individual Education Plan (a measure of pupils with special education needs), (3) the square of student enrollment, and (4) the land area of the school district. Adding these factors, each district's share of total student need (Need Share_i) would be expressed in the following equation:

Equation IV.1

$$\begin{pmatrix}\text{Need}\\ \text{Share}\end{pmatrix}_i = w_0 \frac{N_i}{\sum_i N_i} + w_1 \frac{P_i}{\sum_i P_i} + w_2 \frac{HS_i}{\sum_i HS_i} + w_2 \frac{IEP_i}{\sum_i IEP_i} + w_4 \frac{N_i^2}{\sum_i N_i^2} + w_5 \frac{LA_i}{\sum_i LA_i}$$

Dividing both sides of equation IV.1 by each district's share of total enrollment would produce the following expanded student need index:

Equation IV.2

$$n_i = w_0 + w_1 PI_i + w_2 HSI_i + w_3 IEPI_i + w_4 NI_i^2 + w_5 LAI_i$$

where

n_i = a district's student need index

PI_i = a district's percentage of poor students expressed as a percentage of the state average

HSI_i = a district's percentage of high school students expressed as a percentage of the state average

$IEPI_i$ = a district's percentage of students with an individual education plans expressed as a percentage of the state average

NI_i^2 = a district's share of enrollment squared expressed as a percentage of its share of total enrollment

LAI_i = a district's land area per student expressed as a percentage of the state average.

Substituting equations IV.2 and II.9 for equation II.8 and rearranging terms allows us to express the foundation equalization model with additional student need indicators as follows:

Equation IV.3

$$\frac{g_i}{c_i\bar{g}} = \left(\frac{w_0}{1-\beta\alpha}\right) + \left(\frac{w_1}{1-\beta\alpha}\right) PI_i + \left(\frac{w_2}{1-\beta\alpha}\right) HSI_i + \left(\frac{w_3}{1-\beta\alpha}\right) IEPI_i + \left(\frac{w_4}{1-\beta\alpha}\right) NI_i^2 + \left(\frac{w_5}{1-\beta\alpha}\right) LAI_i - \left(\frac{\beta\alpha}{1-\beta\alpha}\right) \frac{v_i}{c_i\bar{v}} + \epsilon$$

We have estimated the model summarized in equation IV.3 for the 47 states included in our analysis using state and combined state and federal funding. Both dependent variables were expressed on a per pupil basis adjusted for statewide differences in teacher costs.[63] The regression coefficients and standard errors for the two variables of interest—the poor student variable and the tax base variable—as well as the R squared and standard error of the model appear in table IV.1 for the state funding model. Regression results for the combined state and federal funding model appear in table IV.2.

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[63] We excluded the land area variable in the California analysis because 200 districts lacked land area data.

Given the estimated tax base coefficients for each state, we derived the value for $1\text{-}\beta\alpha$ and used it to derive each state's formula weight w_1 from the estimated regression coefficient on poor students. We then calculated the implicit cost weight using equation II.7. Table IV.3 shows the results of these calculations. Table IV.4 compares these results with those from the model used in appendix III.

Table IV.1: Regression Results Used to Determine the Implicit Cost Weight of State Funding When Controlling for Other Student Needs

	Poor student index		Tax base index			
State	Regression coefficient[a]	Standard error	Regression coefficient[b]	Standard error	R squared[c]	R squared standard error
Alabama	.056[d]	.030	.000	.043	.246	.113
Alaska	.087[d]	.086	-.030[d]	.168	.568	.197
Arizona	.117	.034	-.233	.035	.416	.254
Arkansas	.060	.016	-.326	.030	.482	.121
California[e]	.145	.016	-.119	.010	.331	.226
Colorado	.102	.031	-.753	.068	.512	.226
Connecticut	.418	.048	-.479	.054	.709	.272
Delaware	.020[d]	.150	-.074[d]	.139	.440	.107
Florida	.147[d]	.093	-.618	.076	.712	.133
Georgia	.088	.024	-.210	.063	.527	.163
Idaho	.047[d]	.045	-.162	.049	.382	.133
Illinois	.494	.017	-.184	.015	.693	.244
Indiana	.082	.017	-.079	.031	.310	.123
Iowa	.041	.016	-.091	.027	.407	.108
Kansas	.129	.043	-.247	.093	.348	.321
Kentucky	.142	.016	-.194	.027	.886	.058
Louisiana	.040[d]	.047	.000	.064	.354	.077
Maine	.111	.052	-.296	.058	.367	.334
Maryland	.098[d]	.064	-.582	.109	.876	.075
Massachusetts	.503	.033	-.319	.057	.666	.290
Michigan	.357	.039	-.475	.052	.573	.425
Minnesota	.141	.019	-.488	.031	.579	.210

(continued)

	Poor student index		Tax base index			
State	**Regression coefficient[a]**	**Standard error**	**Regression coefficient[b]**	**Standard error**	**R squared[c]**	**R squared standard error**
Mississippi	.060	.024	-.012[d]	.010	.393	.094
Missouri	.316	.027	-.033[d]	.046	.607	.332
Montana	.000	.027	-.131	.046	.257	.281
Nebraska	.062	.016	-.252	.031	.144	.246
Nevada	.000	.784	-.998	.373	.667	.159
New Hampshire	.654	.118	-.571	.134	.384	.733
New Jersey	.226	.018	-.143	.026	.603	.307
New Mexico	.000	.075	.000	.078	.445	.140
New York	.284	.025	-.572	.025	.687	.224
North Carolina	.082	.015	.000	.030	.637	.059
North Dakota	.044	.015	.000	.042	.634	.127
Ohio	.270	.017	-.171	.026	.579	.183
Oklahoma	.145	.014	-.132	.027	.545	.145
Oregon	.195	.049	-.044[d]	.062	.139	.325
Pennsylvania	.248	.014	-.199	.019	.728	.137
Rhode Island	.134	.061	-.752	.140	.715	.146
South Carolina	.029[d]	.034	-.478	.066	.634	.096
South Dakota	.175	.043	.000	.122	.439	.255
Tennessee	.135	.022	.000	.032	.525	.079
Texas	.304	.023	-.522	.035	.595	.319
Utah	.000	.072	-.168[d]	.112	.406	.124
Virginia	.131	.022	-.486	.040	.838	.140
Washington	.074	.019	-.033[d]	.031	.319	.159
West Virginia	.078[d]	.071	-.054[d]	.100	.452	.102
Wisconsin	.197	.030	-.270	.029	.445	.216

[a] This is the elasticity of state funding relative to a district's percentage of poor students controlling for other student needs and district income. An elasticity of 0 signifies no targeting. The poor student index coefficient in all states was constrained to be greater than or equal to .000.

[b] This is the elasticity of state funding relative to district income when controlling for student needs. An elasticity of 0 signifies no targeting. A negative elasticity indicates that state funding increases as district income decreases. The tax base index coefficient was constrained to be less than or equal to .000 in all states.

[c] This is the proportion of the variation in the dependent variable explained by the independent variables.

[d] Statistically, the coefficient is not significantly different from 0.

[e] The analysis excluded the land area variable because of missing land area data.

Table IV.2: Regression Results Used to Determine the Implicit Cost Weight of Combined State and Federal Funding When Controlling for Other Student Needs

	Poor student index		Tax base index		
State	Regression coefficient[a]	Standard error	Regression coefficient[b]	Standard error	R squared[c]
Alabama	.168	.027	.000	.039	.527
Alaska	.128[d]	.084	-.030[d]	.164	.646
Arizona	.225	.030	-.233	.031	.545
Arkansas	.164	.015	-.326	.029	.624
California[e]	.187	.015	-.119	.010	.421
Colorado	.163	.029	-.753	.063	.529
Connecticut	.437	.045	-.479	.050	.752
Delaware	.080[d]	.135	-.074[d]	.125	.468
Florida	.185	.086	-.618	.070	.724
Georgia	.176	.023	-.210	.061	.619
Idaho	.101	.045	-.162	.049	.450
Illinois	.518	.016	-.184	.014	.754
Indiana	.115	.017	-.079	.030	.461
Iowa	.070	.016	-.091	.026	.492
Kansas	.182	.040	-.247	.086	.376
Kentucky	.209	.017	-.194	.030	.891
Louisiana	.182	.044	.000	.060	.554
Maine	.193	.051	-.296	.058	.390
Maryland	.149	.058	-.582	.099	.915
Massachusetts	.531	.030	-.319	.051	.747
Michigan	.388	.035	-.475	.047	.651
Minnesota	.178	.018	-.488	.030	.605
Mississippi	.229	.023	-.012[d]	.010	.681
Missouri	.381	.024	-.033[d]	.041	.684
Montana	.071	.025	-.131	.043	.250
Nebraska	.100	.015	-.252	.029	.183
Nevada	.000	.727	-.998	.346	.675
New Hampshire	.533	.096	-.571	.109	.339
New Jersey	.257	.017	-.143	.024	.666
New Mexico	.038[d]	.075	.000	.078	.479
New York	.314	.022	-.572	.022	.689
North Carolina	.155	.017	.000	.034	.721
North Dakota	.249	.032	.000	.090	.429
Ohio	.318	.016	-.171	.024	.714

(continued)

State	Poor student index: Regression coefficient[a]	Poor student index: Standard error	Tax base index: Regression coefficient[b]	Tax base index: Standard error	R squared[c]
Oklahoma	.200	.015	-.132	.028	.594
Oregon	.264	.044	-.044[d]	.055	.230
Pennsylvania	.287	.013	-.199	.018	.793
Rhode Island	.159	.057	-.752	.129	.744
South Carolina	.125	.033	-.478	.063	.738
South Dakota	.273	.045	.000	.127	.590
Tennessee	.268	.022	.000	.032	.712
Texas	.356	.021	-.522	.031	.650
Utah	.004[d]	.066	-.168[d]	.102	.408
Virginia	.200	.021	-.486	.037	.861
Washington	.122	.018	-.033[d]	.029	.409
West Virginia	.127[d]	.067	-.054[d]	.095	.534
Wisconsin	.216	.028	-.270	.028	.532

[a] This is the elasticity of combined state and federal funding relative to a district's percentage of poor students when controlling for other student needs and district income. An elasticity of 0 signifies no targeting. The poor student index coefficient in all states was constrained to be greater than or equal to .000.

[b] This is the elasticity of combined state and federal funding relative to district income when controlling for student needs. An elasticity of 0 signifies no targeting. A negative elasticity indicates that state and federal funding increases as district income decreases. The tax base index coefficient in all states was constrained to be less than or equal to .000.

[c] This is the proportion of the variation in the dependent variable explained by the independent variables.

[d] Statistically, the coefficient is not significantly different from 0.

[e] The analysis excluded the land area variable because of missing land area data.

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Table IV.3: Formula Weights and Implicit Cost Weights Associated With Poor Students When Controlling for Other Student Needs

	State funding		Combined state and federal funding	
State	Formula weight[a]	Implicit cost weight[b]	Formula weight[a]	Implicit cost weight[c]
Alabama	5.6%	$.25	16.8%	$.85
Alaska	8.5	.83	12.5	1.27
Arizona	9.5	.50	18.2	1.06
Arkansas	4.5	.19	12.4	.57
California	13.0	.81	16.7	1.09
Colorado	5.8	.42	9.3	.69
Connecticut	28.2	3.79	29.5	4.03
Delaware	1.8	.15	7.5	.66
Florida	9.1	.54	11.4	.69
Georgia	7.3	.40	14.6	.87
Idaho	4.0	.26	8.7	.60
Illinois	41.7	4.36	43.7	4.74
Indiana	7.6	.61	10.6	.88
Iowa	3.8	.28	6.4	.49
Kansas	10.3	.83	14.6	1.24
Kentucky	11.8	.54	17.5	.85
Louisiana	4.0	.13	18.2	.70
Maine	8.6	.68	14.9	1.27
Maryland	6.2	.58	9.4	.92
Massachusetts	38.1	4.63	40.2	5.06
Michigan	24.2	1.84	26.3	2.05
Minnesota	9.5	.86	12.0	1.12
Mississippi	5.9	.19	22.7	.89
Missouri	30.6	2.59	36.8	3.43
Montana	0.0	.00	6.3	.34
Nebraska	5.0	.40	8.0	.68
Nevada	0.0	.00	0.0	.00
New Hampshire	41.6	9.38	33.9	6.75
New Jersey	19.8	2.19	22.5	2.56
New Mexico	0.0	.00	3.8	.15
New York	18.1	1.19	20.0	1.35
North Carolina	8.2	.52	15.5	1.07
North Dakota	4.4	.28	24.9	2.02
Ohio	23.0	1.77	27.2	2.21
Oklahoma	12.8	.70	17.7	1.03

(continued)

	State funding		Combined state and federal funding	
State	Formula weight[a]	Implicit cost weight[b]	Formula weight[a]	Implicit cost weight[c]
Oregon	18.7	1.51	25.3	2.23
Pennsylvania	20.7	1.71	24.0	2.07
Rhode Island	7.6	.65	9.1	.78
South Carolina	2.0	.10	8.5	.44
South Dakota	17.5	1.17	27.3	2.07
Tennessee	13.5	.77	26.8	1.80
Texas	20.0	1.02	23.4	1.25
Utah	0.0	.00	0.3	.03
Virginia	8.8	.72	13.4	1.16
Washington	7.2	.54	11.8	.93
West Virginia	7.4	.31	12.1	.54
Wisconsin	15.5	1.30	17.0	1.46

[a] For each state, this is the proportion of a district's share of total student need represented by poor students.

[b] This is the amount of extra state funding per poor student a district received for every dollar of state funding received for each student when controlling for other student needs.

[c] This is the amount of extra state and federal funding per poor student a district received for every dollar of state and federal funding received for each student when controlling for other student needs. In our analysis, federal impact aid is considered part of local funding, so this weight does not include the effect of federal impact aid funding.

Table IV.4: Comparison of Implicit Cost Weights

	Implicit cost weight for state funding		Implicit cost weight for combined state and federal funding[a]	
State	Original model[b]	Expanded model[c]	Original model[d]	Expanded model[e]
Alabama	$.27	$.25	$.92	$.85
Alaska	1.81	.83	2.42	1.27
Arizona	.50	.50	1.10	1.06
Arkansas	.29	.19	.76	.57
California	1.15	.81	1.59	1.09
Colorado	.27	.42	.57	.69
Connecticut	1.53	3.79	1.89	4.03
Delaware	.38	.15	.56	.66
Florida	.62	.54	.75	.69
Georgia	.40	.40	.81	.87

(continued)

State	Implicit cost weight for state funding		Implicit cost weight for combined state and federal funding[a]	
	Original model[b]	Expanded model[c]	Original model[d]	Expanded model[e]
Idaho	.66	.26	1.10	.60
Illinois	2.01	4.36	3.08	4.74
Indiana	.78	.61	1.19	.88
Iowa	.91	.28	1.27	.49
Kansas	.18	.83	.52	1.24
Kentucky	.59	.54	.87	.85
Louisiana	.14	.13	.70	.70
Maine	.86	.68	1.43	1.27
Maryland	.04	.58	.38	.92
Massachusetts	2.98	4.63	3.60	5.06
Michigan	2.71	1.84	3.11	2.05
Minnesota	.96	.86	1.25	1.12
Mississippi	.22	.19	1.03	.89
Missouri	5.97	2.59	7.41	3.43
Montana	.00	.00	.54	.34
Nebraska	.39	.40	.70	.68
Nevada	.00	.00	.00	.00
New Hampshire	6.69	9.38	5.50	6.75
New Jersey	3.45	2.19	4.03	2.56
New Mexico	.00	.00	.28	.15
New York	.00	1.19	.00	1.35
North Carolina	.53	.52	1.05	1.07
North Dakota	.78	.28	2.53	2.02
Ohio	1.48	1.77	2.19	2.21
Oklahoma	.76	.70	1.09	1.03
Oregon	1.57	1.51	2.32	2.23
Pennsylvania	1.31	1.71	1.89	2.07
Rhode Island	.23	.65	.42	.78
South Carolina	.21	.10	.66	.44
South Dakota	1.30	1.17	2.51	2.07
Tennessee	.31	.77	1.16	1.80
Texas	.39	1.02	.58	1.25
Utah	.02	.00	.59	.03
Virginia	.93	.72	1.29	1.16
Washington	.70	.54	1.11	.93

(continued)

	Implicit cost weight for state funding		Implicit cost weight for combined state and federal funding[a]	
State	Original model[b]	Expanded model[c]	Original model[d]	Expanded model[e]
West Virginia	.09	.31	.27	.54
Wisconsin	1.20	1.30	1.55	1.46
Median	$.62	$.61	$1.10	$1.06

[a] In our analysis, federal impact aid is considered part of local funding, so this weight does not include the effect of federal impact aid funding.

[b] This is the amount of extra state funding per poor student a district received for every dollar of state funding received for each student.

[c] This is the amount of extra state funding per poor student a district received for every dollar of state funding received for each student when controlling for other student needs.

[d] This is the amount of extra state and federal funding per poor student a district received for every dollar of state and federal funding received for each student.

[e] This is the amount of extra state and federal funding per poor student a district received for every dollar of state and federal funding received for each student when controlling for other student needs.

As table IV.4 shows, the results of the expanded model differ dramatically from those of the model used in appendix III for a number of states. Overall, the implicit weight of state funding in the expanded model increased in 16 states and decreased in 26 states. States with the largest increases in the implicit weight of state funding were Connecticut, Illinois, Massachusetts, New Hampshire, and New York; states with the largest decreases were Alaska, Michigan, Missouri, and New Jersey. Kansas, Maryland, Rhode Island, Tennessee, Texas, and West Virginia also had noteworthy increases; Delaware, Idaho, Iowa, North Dakota, and South Carolina had noteworthy decreases. Five states had the same implicit weight. The median implicit weight declined slightly, from $.62 to $.61.

A comparison of the combined state and federal weights reveals a similar pattern. The same five states had the largest increases in the implicit weight of combined state and federal funding: Connecticut, Illinois, Massachusetts, New Hampshire, and New York; the same four states had the largest decreases: Alaska, Michigan, Missouri, and New Jersey. Kansas, Maryland, Texas, and West Virginia also had noteworthy increases; Iowa and Utah had noteworthy decreases. Overall, the implicit combined weight in the expanded model increased in 17 states and decreased in 28 states.

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Two states had the same implicit weight. The median implicit weight decreased slightly, from $1.10 to $1.06.

Determining the Effects of State and Federal Funding on Funding Levels

One goal of this study was to determine the variability of local funding levels in high- and low-poverty districts and the changes in these funding levels as state and federal funds were added. Because high-poverty districts tend to have low tax bases, such districts typically have lower local funding levels compared with low-poverty districts. States generally distribute state funds on the basis of a district's educational need and ability to raise local revenue for education, while federal funds are targeted largely to poor and other disadvantaged students. Given these policy features, we expected high-poverty districts to benefit from both state and federal funding and that total funding levels in high- and low-poverty districts would be more equal with the addition of state and then federal funds.

This appendix presents the method we used to estimate the size of the local funding gap and the effect that state funds and then federal funds had on closing this gap in each state. It also presents results of the distribution of total funding to districts with the highest and lowest poverty levels. Finally, it discusses factors that affect poverty-related funding gaps.

Calculating the Poverty Elasticity of District Funding

We measured the size of the funding gap by determining the extent to which funding varied in high- and low-poverty districts using the poverty elasticity of funding per weighted pupil. The elasticity measures the percentage change in a district's funding level for every 1-percent change in a district's poverty rate, where the district's change in a variable is measured relative to its state average. We determined the poverty elasticity of local funding per weighted pupil and then the changes in poverty elasticity with the addition of state funds and then with the addition of federal funds. A negative poverty elasticity score indicates that high-poverty districts tended to have less funding per weighted pupil than low-poverty districts; a positive elasticity score indicates that high-poverty districts tended to have more funding per weighted pupil than low-poverty districts; and 0 score indicates that no systematic differences occurred in funding levels among all districts.

We used a linear regression model to estimate the elasticity of a district's funding relative to a district's proportion of poor students. To assess the incremental effects of state funds and then federal funds, we estimated the poverty elasticity relative to a district's funding in three ways. First, we determined the poverty elasticity to local funding per weighted pupil. We then added state funds and determined the poverty elasticity of the combined state and local funding per weighted pupil. Finally, we added the federal funds to determine the poverty elasticity of total (federal, state, and local) funding per weighted pupil.

The dependent variable was one of the three measures of district funding per weighted pupil, and each was adjusted for statewide differences in geographic cost and student need (see app. I). The independent variable was a district's poverty rate. For each regression, the dependent and the independent variables were placed in index form, that is, they were expressed as a percentage of their respective state averages. We estimated the three poverty elasticities by weighting each observation for membership size to better reflect the distribution of state funding to students rather than to districts; thus, school districts with larger enrollments had a greater effect in determining the estimated coefficients of the model. With these adjustments, a general model for all three regressions took the following form:

Equation V.1

$$\frac{\text{Funding per Pupil Index}}{(\text{Cost Index}) \cdot (\text{Need Index})} = \beta_0 + \beta_1 \frac{\text{Poverty Index}}{(\text{Cost Index}) \cdot (\text{Need Index})} + \epsilon$$

Because both variables are measured relative to their respective state averages, the regression coefficient (β_1) represents the poverty elasticity score. The error term (ε) in the equation reflects the variation in the funding per weighted pupil that could not be accounted for by the poverty index variable.

Analysis Results

In 37 states, high-poverty districts had less local funding per weighted pupil than low-poverty districts (the poverty elasticity was negative).[64] Florida had the largest local funding gap and South Dakota the smallest. In two states (New Mexico and Utah), high-poverty districts had more local funding per weighted pupil (the poverty elasticity was positive).[65] In both of these states, high-poverty districts made a greater tax effort than low-poverty districts. In the remaining eight states, local funding per weighted pupil was not statistically different as poverty rates increased.

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[64] However, another six states had negative elasticity scores that were not statistically significant.

[65] Alaska and Montana also had positive elasticity scores that were not statistically significant.

The addition of state funds reduced the number of states with a funding gap (negative elasticity) from 37 to 30 and the size of the funding gap in the remaining 30 states. Of the states where funding gaps remained, state funding in Florida reduced the gap most, and state funding in New Hampshire reduced it the least. Three states had a positive elasticity, that is, the combined local and state funding per weighted pupil increased as a district's poverty rate increased.

The addition of federal funds further reduced the number of states with a funding gap (negative elasticity) from 30 to 21 and the size of the funding gap in the remaining 21 states. Of the states where funding gaps remained, federal funding in Alabama reduced the gap the most, and federal funding in New Hampshire reduced it least. In six states, high-poverty districts had more total (local, state, and federal) funding per weighted pupil than low-poverty districts (positive elasticity).

Table V.1 shows the elasticities of local, local and state, and total funding to district poverty rates and the adjusted R square for each state.[66] Figure 4 (shown earlier in the report) provides the table information in graphic form.

Table V.1: Effect of Local, State, and Federal Funding on Poverty-Related Funding Gaps

	Poverty elasticity of			Adjusted R square		
State	Local funding	Local and state funding	Local, state, and federal funding	Local funding	Local and state funding	Local, state, and federal funding
Alabama	-.501	-.172	-.070	.172	.158	.032
Alaska	+.190[a]	+.185	+.221	.008	.107	.154
Arizona	-.153	-.046	+.015[a]	.036	.016	-.003
Arkansas	-.292	-.099	-.021[a]	.062	.071	.001
California	-.615	-.092	-.036	.213	.066	.011
Colorado	-.109[a]	-.037[a]	-.004[a]	.013	.006	-.006
Connecticut	-.251	-.075	-.050	.346	.186	.098
Delaware	-.553	-.102[a]	-.071[a]	.261	.054	.037
Florida	-.794	-.133	-.077[a]	.250	.098	.029
Georgia	-.195	-.042[a]	+.019[a]	.037	.011	-.002
Idaho	-.397	-.092[a]	-.037[a]	.057	.022	-.004
Illinois	-.449	-.209	-.145	.291	.209	.123
Indiana	-.187	-.070	-.039	.152	.109	.035

(continued)

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[66] The adjusted R square is the proportion of the variation of the dependent variable explained by the independent variable(s).

State	Poverty elasticity of			Adjusted R square		
	Local funding	Local and state funding	Local, state, and federal funding	Local funding	Local and state funding	Local, state, and federal funding
Iowa	-.226	-.099	-.073	.122	.077	.043
Kansas	-.190	-.081	-.045[a]	.060	.031	.008
Kentucky	-.667	-.084	-.012[a]	.333	.166	-.002
Louisiana	-.314	-.162	-.057[a]	.058	.118	.005
Maine	-.264	-.075	-.028[a]	.062	.036	.001
Maryland	-.343	-.181	-.147	.501	.632	.553
Massachusetts	-.326	-.108	-.066	.307	.123	.053
Michigan	-.396	-.117	-.079	.438	.189	.100
Minnesota	-.057[a]	+.037	+.062	.005	.029	.080
Mississippi	-.296	-.146	-.006[a]	.070	.132	-.007
Missouri	-.189	+.060	+.108	.058	.009	.036
Montana	+.033[a]	-.025[a]	+.013[a]	-.001	-.001	-.002
Nebraska	-.036[a]	-.022[a]	-.005[a]	.002	.001	-.001
Nevada	-.465[a]	-.315[a]	-.279[a]	-.030	-.016	-.024
New Hampshire	-.188	-.127	-.114	.142	.087	.075
New Jersey	-.297	-.065	-.040	.383	.115	.047
New Mexico	+.414	-.035[a]	+.040[a]	.078	-.004	-.004
New York	-.655	-.400	-.344	.438	.593	.542
North Carolina	-.450	-.119	-.056	.223	.155	.039
North Dakota	-.043[a]	-.005[a]	+.083	.001	-.004	.038
Ohio	-.302	-.103	-.053	.190	.091	.027
Oklahoma	-.115	+.024[a]	+.070	.013	.003	.038
Oregon	-.203	-.095	-.055	.078	.043	.014
Pennsylvania	-.388	-.141	-.095	.394	.295	.167
Rhode Island	-.251	-.120	-.096	.418	.402	.308
South Carolina	-.309	-.123	-.045[a]	.138	.187	.025
South Dakota	-.112	-.037[a]	+.019[a]	.089	.010	-.002
Tennessee	-.059[a]	-.030[a]	+.051[a]	-.003	-.003	.009
Texas	-.442	-.083	-.025	.234	.064	.006
Utah	+.428	+.088[a]	+.123	.118	.039	.102
Virginia	-.287	-.099	-.059	.178	.125	.048
Washington	-.215	-.030[a]	+.010[a]	.127	.009	-.002
West Virginia	-.608	-.138	-.088	.326	.211	.098
Wisconsin	-.257	-.077	-.050	.279	.168	.080

(Table notes on next page)

Note: An elasticity of 0 means that funding did not change as the proportion of [illegible] students in a district changed among all districts. A negative elasticity means that funding decreased as the proportion of poor students in a district increased, that is, higher poverty districts received less funding than lower poverty districts. A positive elasticity means that funding increased as the proportion of poor students in a district increased, that is, higher poverty districts received more funding than lower poverty districts.

[a]Statistically, the result is not significantly different from 0.

Another way to analyze the size of the poverty-related funding gaps is to examine the amount of funding available to districts with the highest and lowest poverty rates. To do this, we grouped each state's student population into five groups. These groups were determined by ranking a state's districts according to increasing proportions of poor students and then dividing these districts into five groups, each with about the same number of students. We defined lowest poverty districts as those districts in the first group and highest poverty districts as those in the fifth group. Normally, each group consisted of about 20 percent of each state's students.[67]

Nationwide, the lowest poverty districts had about 114 percent more local funding per weighted pupil than the highest poverty districts. The addition of state funds greatly reduced this funding gap to 25 percent. The addition of federal funding reduced the total funding gap to about 15 percent. Table V.2 summarizes the gaps in total funding per weighted pupil between each state's highest and lowest poverty districts.

Table V.2: Total Funding Gaps Between the Lowest and Highest Poverty Districts

	Total funding per weighted pupil[a]			
State	State average	For the lowest poverty group	For the highest poverty group	Lowest poverty group funding compared with the highest poverty group funding[b]
Alabama	$3,696	$3,808	$3,603	1.06
Alaska	9,054	8,737	11,137	0.78
Arizona	4,959	5,256	5,022	1.05
Arkansas	4,164	3,935	4,012	0.98
California	4,902	5,126	4,889	1.05
Colorado	5,288	5,691	5,511	1.03
Connecticut	8,531	8,993	7,664	1.17

(continued)

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[67]Nevada was divided into only four groups because of the distribution of the student population. The highest poverty group was group 4.

State	Total funding per weighted pupil[a]: State average	Total funding per weighted pupil[a]: For the lowest poverty group	Total funding per weighted pupil[a]: For the highest poverty group	Lowest poverty group funding compared with the highest poverty group funding[b]
Delaware	6,008	5,927	5,683	1.04
Florida	5,964	5,946	5,793	1.03
Georgia	4,688	4,614	4,768	0.97
Idaho	3,805	3,781	3,719	1.02
Illinois	5,295	6,686	4,708	1.42
Indiana	5,248	5,553	5,177	1.07
Iowa	5,051	5,388	4,843	1.11
Kansas	5,240	5,300	5,078	1.04
Kentucky	4,174	3,945	4,069	0.97
Louisiana	4,397	4,574	4,480	1.02
Maine	6,017	6,373	6,111	1.04
Maryland	6,349	7,836	4,813	1.63
Massachusetts	6,601	7,184	6,299	1.14
Michigan	6,110	7,029	5,598	1.26
Minnesota	5,872	5,749	6,322	0.91
Mississippi	3,386	3,331	3,299	1.01
Missouri	4,272	4,692	5,453	0.86
Montana	5,260	6,383	5,886	1.08
Nebraska	5,448	5,561	5,404	1.03
Nevada	3,810	4,610	5,359	0.86
New Hampshire	6,028	6,756	5,128	1.32
New Jersey	9,605	10,346	9,162	1.13
New Mexico	4,353	4,686	4,578	1.02
New York	8,233	11,045	8,235	1.34
North Carolina	4,780	5,045	4,702	1.07
North Dakota	4,467	4,622	5,269	0.88
Ohio	4,984	5,697	4,962	1.15
Oklahoma	3,929	3,738	4,062	0.92
Oregon	5,411	5,654	5,062	1.12
Pennsylvania	6,709	7,704	6,396	1.20
Rhode Island	6,244	6,690	5,524	1.21
South Carolina	4,509	4,730	4,443	1.06
South Dakota	4,217	4,503	4,479	1.01
Tennessee	3,699	3,681	3,939	0.93

(continued)

State	Total funding per weighted pupil[a]			Lowest poverty group funding compared with the highest poverty group funding[b]
	State average	For the lowest poverty group	For the highest poverty group	
Texas	4,946	5,069	5,020	1.01
Utah	3,408	3,331	3,752	0.89
Virginia	5,021	5,782	4,812	1.20
Washington	5,604	5,716	5,681	1.01
West Virginia	5,332	5,452	5,020	1.09
Wisconsin	6,124	6,554	5,889	1.11

[a] Total funding includes all local, state, and federal funding. All funding figures have been adjusted for statewide differences in geographic and student need-related costs. When adjusting for student need, we assigned weights of 1.6 to poor students and 2.3 to students with disabilities.

[b] We calculated this ratio by dividing the lowest poverty districts' funding by the highest poverty districts' funding, for example, $3,808/$3,603 in Alabama.

Factors Affecting Poverty-Related Funding Gaps

Several factors affect the size of the gaps in total funding between high- and low-poverty districts. These include

- differences in the tax base of high- and low-poverty districts,
- differences in the tax effort of high- and low-poverty districts,
- the state and federal shares of total funding,
- the extent to which state and federal funding is targeted to districts with high-poverty rates, and
- the extent to which state funding is targeted to districts with low tax bases.

To estimate the extent to which these factors accounted for the variation in the total funding gap between high and low-poverty districts, we constructed a regression model that used these factors to explain differences among states' funding gaps. We used the elasticity of local, state, and federal funding reported in table V.1 as the measure of the total funding gap between high- and low-poverty districts. We used the elasticity of local tax bases relative to district poverty rates as the measure of tax base differences and the elasticity of local tax effort relative to districts' poverty rates as the measure of tax effort differences. We also used the combined state and federal share of total funding, the combined state and

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federal targeting to poor students, and the states' tax base targeting in the model. These factors appear in table V.3.

We estimated several versions of the model with state and federal funding shares and poor student targeting entered separately and combined into one variable. The model described in table V.4, which has four variables, all of which were statistically significant, accounted for 57 percent of the variation in funding gaps among states. The model includes only four variables because when we included all five variables in the analysis, the fifth variable, differences in state tax base targeting, was insignificant.

Table V.3: Factors Affecting Poverty-Related Funding Gaps, School Year 1991-92

	Poor student targeting weight		Share of funding (percent)				
State	State funding[a]	State and federal funding[b]	State	Federal[c]	State tax-base targeting[d]	Elasticity of local tax base[e]	Elasticity of local tax effort[f]
Alabama	$.27	$.92	61.9	11.1	–.037[g]	–.435	–.026[g]
Alaska	1.81	2.42	67.8	5.4	–.203[g]	–.381	1.982
Arizona	.50	1.10	42.5	6.9	–.236	–.427	1.109
Arkansas	.29	.76	59.5	9.0	–.205	–.330	.085[g]
California	1.15	1.59	63.9	7.0	–.090	–.673	1.212[g]
Colorado	.27	.57	41.5	4.2	–.618	–.194	.111[g]
Connecticut	1.53	1.89	37.4	3.6	–.440	–.227	–.022[g]
Delaware	.38	.56	65.2	7.2	–.162	–.706	.074[g]
Florida	.62	.75	49.4	6.7	–.580	–.688	–.123[g]
Georgia	.40	.81	50.4	7.6	–.399	–.276	.108[g]
Idaho	.66	1.10	61.8	7.4	–.179	–.315	–.079[g]
Illinois	2.01	3.08	31.2	6.0	–.128	–.526	.029[g]
Indiana	.78	1.19	51.5	4.8	–.082	–.205	.037[g]
Iowa	.91	1.27	47.0	4.0	–.080	–.203	–.035[g]
Kansas	.18	.52	41.6	4.6	–.497	–.275	.021[g]
Kentucky	.59	.87	62.5	10.6	–.272	–.613	–.108
Louisiana	.14	.70	55.3	10.9	–.041[g]	–.508	.077[g]
Maine	.86	1.43	46.6	5.3	–.294	–.252	.000
Maryland	.04	.38	38.4	4.6	–.650	–.257	–.134
Massachusetts	2.98	3.60	29.3	4.9	–.375	–.253	–.136
Michigan	2.71	3.11	31.5	4.2	–.428	–.353	–.090
Minnesota	.96	1.25	51.4	3.7	–.510	–.121	.132
Mississippi	.22	1.03	53.9	16.2	–.015[g]	–.424	.131[g]

(continued)

State	Poor student targeting weight: State funding[a]	Poor student targeting weight: State and federal funding[b]	Share of funding (percent): State	Share of funding (percent): Federal[c]	State tax-base targeting[d]	Elasticity of local tax base[e]	Elasticity of local tax effort[f]
Missouri	5.97	7.41	41.5	6.8	.000	-.335	.107
Montana	.00	.54	40.6	5.3	.000	-.344	1.245
Nebraska	.39	.70	32.5	4.3	-.257	-.097	.151
Nevada	.00	.00	53.8	5.1	-.934	-.292	-.375[g]
New Hampshire	6.69	5.50	8.1	2.9	-.490	-.227	.048[g]
New Jersey	3.45	4.03	41.5	3.7	-.055	-.333	.012[g]
New Mexico	.00	.28	74.8	9.8	.000	-.894	2.449
New York	.00	.00	40.3	5.3	-.675	-.306	-.354
North Carolina	.53	1.05	62.7	7.3	-.090	-.420	.002[g]
North Dakota	.78	2.53	43.8	7.9	-.052[g]	-.237	.312
Ohio	1.48	2.19	39.5	5.5	-.189	-.296	-.011[g]
Oklahoma	.76	1.09	65.5	6.8	-.243	-.242	.174
Oregon	1.57	2.32	29.3	5.9	-.059[g]	-.347	.144
Pennsylvania	1.31	1.89	41.0	4.5	-.271	-.321	-.091
Rhode Island	.23	.42	37.4	4.5	-.673	-.184	-.095
South Carolina	.21	.66	47.8	8.5	-.464	-.353	.069[g]
South Dakota	1.30	2.51	26.3	8.0	-.189[g]	-.273	.283
Tennessee	.31	1.16	42.3	9.9	-.126	-.256	.063[g]
Texas	.39	.58	44.1	6.7	-.714	-.497	.043[g]
Utah	.02	.59	56.1	6.2	-.313	+.093	.651
Virginia	1.05	1.47	33.8	5.5	-.564	-.252	-.032[g]
Washington	.70	1.11	71.2	4.8	-.104	-.240	.110
West Virginia	.09	.27	67.0	7.6	-.229	-.695	.103[g]
Wisconsin	1.20	1.55	44.2	4.1	-.229	-.246	-.018[g]

(Table notes on next page)

[a] This is the amount of extra state funding per poor student a district received for every dollar of state funding received for each student.

[b] This is the amount of extra combined state and federal funding per poor student a district received compared to each dollar of combined state and federal funding received for each student. In our analysis, federal impact aid is considered part of local funding, so this weight does not include the effect of federal impact aid funding.

[c] Federal impact aid is considered part of local funding and not part of federal funding.

[d] This is the elasticity of state funding-relative to district income controlling for districts' percentage of poor students. An elasticity of 0 signifies no tax-base targeting. The elasticity was constrained to be less than or equal to .000 in all states.

[e] This is the elasticity of local tax base relative to district poverty rate.

[f] This is the elasticity of local tax effort relative to district poverty rate.

[g] Elasticity is not statistically different from 0.

Table V.4: Regression Results (N=47)

Independent variables	Regression coefficient	Beta coefficient	t statistic
Tax effort differences between high- and low-poverty districts	-.0947	-.5624	-5.280
Combined state and federal share of total funding	-.3190	-.5233	-4.071
Tax base differences between high- and low-poverty districts	-.2556	-.5046	-4.468
Combined state and federal targeting to poor students	-.0270	-.4188	-3.760
Constant	.1774	NA	3.972

Note: Adjusted R square = .569.

As the beta coefficients in table V.4 show, differences in tax efforts had the greatest effect on reducing the total funding gap—the greater the tax effort of high-poverty districts compared with low-poverty districts, the lower the funding gap. Combined state and federal share of total funding had the second greatest effect on reducing the funding gap: the larger the combined share, the less the funding gap. Differences in tax bases between high- and low-poverty districts had the third greatest effect: the greater the tax base of high-poverty districts compared with low-poverty districts, the lower the gap. Combined state and federal targeting to poor students also had the effect of reducing the gap, although to a lesser extent than the other three variables.

Guide to the State Profiles

Appendixes VII through LIII contain profiles for 47 states. Each profile provides the critical data resulting from our analysis of state and federal targeting to poor students and the effect that state and federal funds had on the funding levels among high- and low-poverty districts. In addition, each profile provides information in tabular and graphic form on the distribution of local, state, and federal funding to regular school districts in school year 1991-92. The profiles show state averages for districts in five groups according to increasing proportions of poor students.[68] For example, the highest poverty group typically contains about 20 percent of a state's students and has the highest proportion of poor students. All funding data in the profiles were adjusted for statewide differences in geographic cost and student need.

Data used in the profiles were based mainly on the Department of Education's Common Core of Data (CCD) for school districts for the 1991-92 school year. In some cases, we obtained data directly from state education offices, and we imputed data for a district when the source lacked data. For example, we imputed cost index data for 310 districts, including 18 in Alaska and 72 in New York (see app. I). Funding data included all local, state, and federal revenue for all purposes, including maintenance and operations, transportation, and capital expenditures and debt service.[69] Federal impact aid was considered part of local revenue because states consider federal funding from this program as part of a district's local education resources.

The numbers in the profiles' tables may not add due to rounding.

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[68] Each of the five groups typically had about the same student population. In some states, however, the groups may have had large differences in the number of students because districts cannot be divided into smaller units. In a few states, one district (for example, in Las Vegas and New York City) accounted for more than 20 percent of the student population and represented the entire group. Nevada's districts were divided into four groups because of the distribution of the student population.

[69] Because the CCD does not report separate data on local funding at the district level devoted to capital expenditures and debt service, we could not exclude these funding categories from our analysis.

State Profile: Alabama

Table VII.1: Summary Data, School Year 1991-92: Alabama

Average total funding per weighted pupil	$3,696
Sources of total funding	
Local share	27%
State share	62%
Federal share	11%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.27
Federal funding weight	$3.65
Total funding weight (effect of combined state and federal funding)	$0.92
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	101%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	66%
State + local funds	19%
Federal + state + local funds	6%

As table VII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Alabama averaged $3,696. The localities provided about 27 percent of total funding for education; the state provided about 62 percent; federal funds provided about 11 percent.

Alabama's state funding had the effect of providing districts with an additional $.27 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.92 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Alabama's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 66 percent to about 19 percent. The addition of federal funding further reduced the funding gap between these groups to about 6 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Alabama, districts with the highest proportions of poor students made a slightly greater effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 101 percent of that made in districts in the lowest poverty group.[70]

To put the state's school finance system in perspective, table VII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table VII.3 presents data on how local, state, and federal funds were distributed among the five groups of Alabama districts. (Fig. VII.1 provides table information in graphic form.)

Table VII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	128	17	28	32	17	34
Total pupils	719,789	145,205	144,850	128,493	161,412	139,829
Poverty rate (percent)	23.8	10.7	17.8	22.5	28.3	39.5
Tax effort[a]	$15.66	$16.20	$16.87	$16.01	$13.20	$16.33

[a]Local funding raised for every $1,000 of district income.

Table VII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$998	$1,290	$1,115	$977	$842	$776	1.66	66
State	2,287	2,284	2,382	2,315	2,272	2,238	1.02	[b]
Subtotal	**$3,286**	**$3,575**	**$3,498**	**$3,292**	**$3,113**	**$3,015**	**1.19**	**19**
Federal[a]	411	233	348	399	484	589	.40	[b]
Total	**$3,696**	**$3,808**	**$3,845**	**$3,691**	**$3,597**	**$3,603**	**1.06**	**6**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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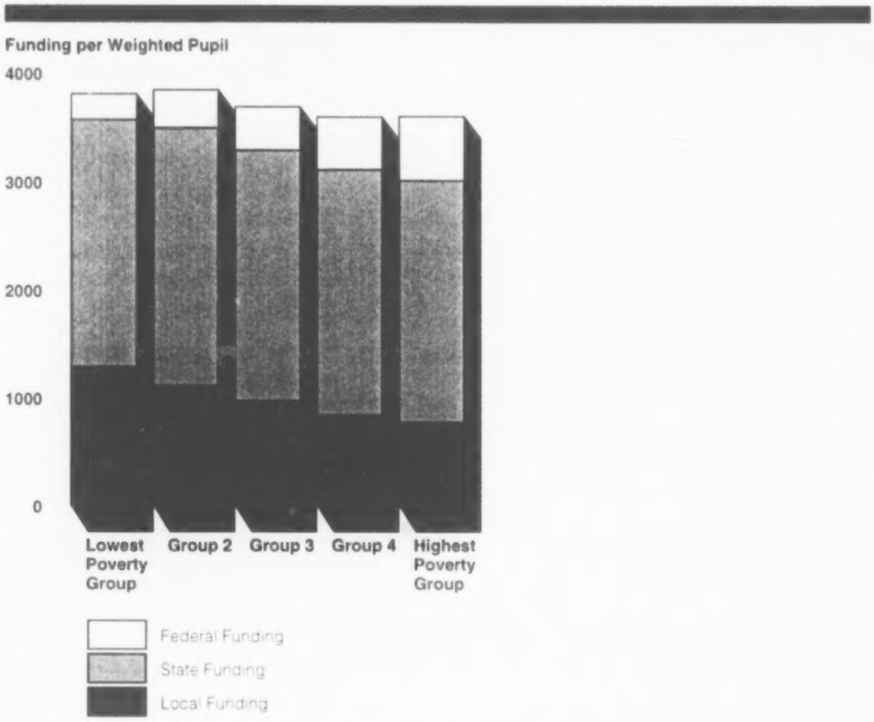
[70] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure VII.1: Funding Distribution (in Dollars) **in Alabama, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Alabama education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Alabama's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Alabama appears in appendixes III and IV.

State Profile: Alaska

Table VIII.1: Summary Data, School Year 1991-92: Alaska

Average total funding per weighted pupil	$9,054
Sources of total funding	
Local share	27%
State share	68%
Federal share	5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$1.81
Federal funding weight	$9.04
Total funding weight (effect of combined state and federal funding)	$2.42
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	240%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	2%
State + local funds	-19%
Federal + state + local funds	-22%

As table VIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Alaska averaged $9,054. The localities provided about 27 percent of total funding for education; the state provided about 68 percent; federal funds provided about 5 percent.

Alaska's state funding had the effect of providing districts with an additional $1.81 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $2.42 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Alaska's targeting efforts and state share of total funding more than eliminated the 2-percent local funding gap between the lowest and highest poverty groups. Consequently, the lowest poverty group had about 19 percent less funding than the highest poverty group. The lowest poverty group had about 22 percent less funding after the addition of federal funding. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

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The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Alaska, districts with the highest proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 240 percent of that made in districts in the lowest poverty group.[71]

To put the state's school finance system in perspective, table VIII.2 presents demographic data for school year 1991-92 for five groups with districts of increasing proportions of poor students. Table VIII.3 presents data on how local, state, and federal funds were distributed among the five groups of Alaska districts. (Fig. VIII.1 provides table information in graphic form.)

Table VIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	52	15	3	1	4	29
Total pupils	117,331	16,886	16,620	44,749	11,798	27,278
Poverty rate (percent)	11.2	5.4	8.5	9.2	9.6	20.5
Tax effort[a]	$29.57	$26.17	$21.61	$15.92	$65.60	$62.77

[a] Local funding raised for every $1,000 of district income.

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[71] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Table VIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

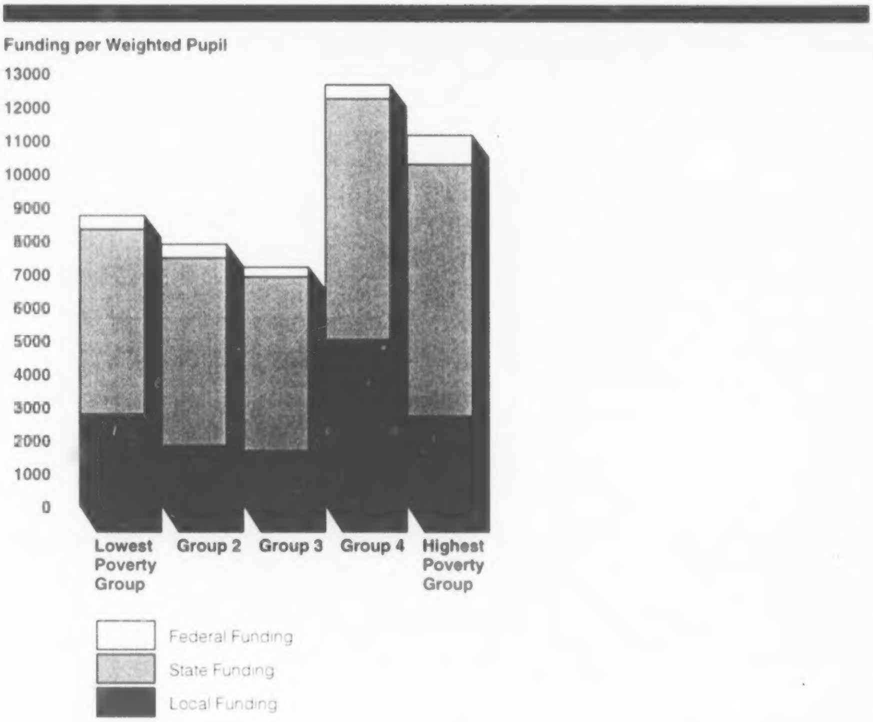
		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$2,428	$2,762	$1,809	$1,653	$5,001	$2,699	1.02	2
State	6,137	5,566	5,658	5,243	7,228	7,571	.74	[b]
Subtotal	**$8,565**	**$8,328**	**$7,468**	**$6,896**	**2,228**	**$10,270**	**.81**	**–19**
Federal[a]	488	408	410	291	411	867	.47	[b]
Total	**$9,054**	**$8,737**	**$7,877**	**$7,187**	**$12,640**	**$11,137**	**.78**	**–22**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

Figure VIII.1: Funding Distribution (in Dollars) **in Alaska, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Alaska education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Alaska's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Alaska appears in appendixes III and IV.

State Profile: Arizona

Table IX.1: Summary Data, School Year 1991-92: Arizona

Average total funding per weighted pupil	$4,959
Sources of total funding	
Local share	50.6%
State share	42.5%
Federal share	6.9%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.50
Federal funding weight	$4.91
Total funding weight (effect of combined state and federal funding)	$1.10
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	159%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	55%
State + local funds	16%
Federal + state + local funds	5%

As table IX.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Arizona averaged $4,959. The localities provided about 51 percent of total funding for education; the state provided about 43 percent; federal funds provided about 7 percent.

Arizona's state funding had the effect of providing districts with an additional $0.50 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.10 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Arizona's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 55 percent to about 16 percent. The addition of federal funding further reduced the funding gap between these groups to about 5 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Arizona, districts with the highest proportions of poor students made more effort to raise local revenue than districts

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with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 159 percent of that made in districts in the lowest poverty group.[72]

To put the state's school finance system in perspective, table IX.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table IX.3 presents data on how local, state, and federal funds were distributed among the five groups of Arizona districts. (Fig. IX.1 provides table information in graphic form.)

Table IX.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	193	28	16	50	28	71
Total pupils	647,354	125,543	133,096	122,414	143,319	122,982
Poverty rate (percent)	21.0	7.1	12.4	17.7	24.9	43.0
Tax effort[a]	$25.25	$27.19	$18.71	$25.15	$23.78	$43.29

[a] Local funding raised for every $1,000 of district income.

Table IX.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil							
		Lowest poverty				Higest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$2,510	$3,130	$2,613	$2,204	$2,591	$2,024	1.55	55
State	2,109	1,982	2,086	2,164	2,036	2,365	.84	[b]
Subtotal	**$4,619**	**$5,112**	**$4,699**	**$4,367**	**$4,627**	**$4,389**	**1.16**	**16**
Federal[a]	340	144	198	283	391	633	.23	[b]
Total	**$4,959**	**$5,256**	**$4,897**	**$4,651**	**$5,017**	**$5,022**	**1.05**	**5**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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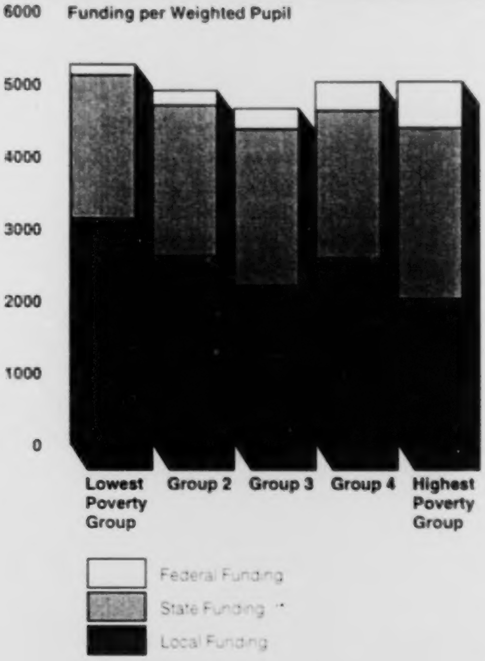
[72] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure IX.1: Funding Distribution (in Dollars) **in Arizona, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Arizona education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Arizona's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Arizona appears in appendixes III and IV.

State Profile: Arkansas

Table X.1: Summary Data, School Year 1991-92: Arkansas

Average total funding per weighted pupil	$4,164
Sources of total funding	
Local share	32%
State share	59%
Federal share	9%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.29
Federal funding weight	$3.85
Total funding weight (effect of combined state and federal funding)	$0.76
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	106%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	34%
State + local funds	8%
Federal + state + local funds	-2%

As table X.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Arkansas averaged $4,164. The localities provided about 32 percent of total funding for education; the state provided about 59 percent; federal funds provided about 9 percent.

Arkansas's state funding had the effect of providing districts with an additional $.29 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.76 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Arkansas's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 34 percent to about 8 percent. The addition of federal funding further reduced the funding gap between these groups to the extent that the lowest poverty group had 2 percent less funding. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Arkansas, districts with the highest

proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 106 percent of that made in districts in the lowest poverty group.[73]

To put the state's school finance system in perspective, table X.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table X.3 presents data on how local, state, and federal funds were distributed among the five groups of Arkansas districts. (Fig. X.1 provides table information in graphic form.)

Table X.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	316	53	52	61	72	78
Total pupils	430,420	81,150	91,540	86,791	86,047	84,892
Poverty rate (percent)	24.6	12.4	17.1	21.8	28.4	43.1
Tax effort[a]	$23.32	$21.77	$22.28	$25.62	$23.43	$23.14

[a] Local funding raised for every $1,000 of district income.

Table X.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil						Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$1,314	$1,310	$1,369	$1,736	$1,200	$975	1.34	34
State	2,476	2,392	2,527	2,540	2,524	2,444	.98	[b]
Subtotal	**$3,790**	**$3,702**	**$3,896**	**$4,275**	**$3,724**	**$3,419**	**1.08**	**8**
Federal[a]	374	233	285	345	408	592	.39	[b]
Total	**$4,164**	**$3,935**	**$4,181**	**$4,621**	**$4,132**	**$4,012**	**.98**	**−2**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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[73] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

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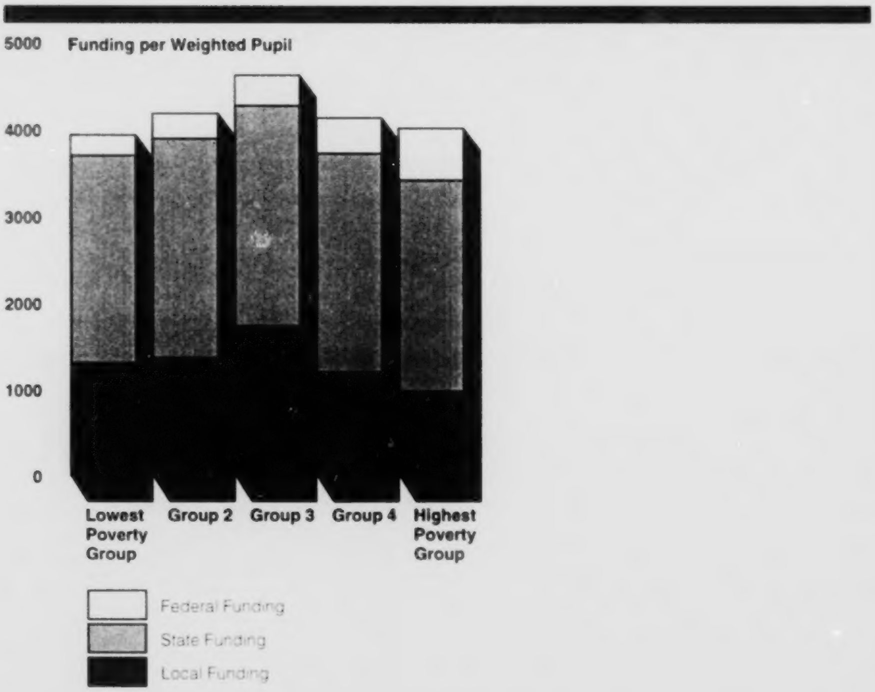
Figure X.1: Funding Distribution (in Dollars) **in Arkansas, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Arkansas education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Arkansas's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Arkansas appears in appendixes III and IV.

State Profile: California

Table XI.1: Summary Data, School Year 1991-92: California

Average total funding per weighted pupil	$4,902
Sources of total funding	
Local share	29%
State share	64%
Federal share	7%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$1.15
Federal funding weight	$4.43
Total funding weight (effect of combined state and federal funding)	$1.59
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	94%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	177%
State + local funds	14%
Federal + state + local funds	5%

As table XI.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in California averaged $4,902. The localities provided about 29 percent of total funding for education; the state provided about 64 percent; federal funds provided about 7 percent.

California's state funding had the effect of providing districts with an additional $1.15 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.59 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

California's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 177 percent to about 14 percent. The addition of federal funding further reduced the funding gap between these groups to about 5 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In California, districts with the highest

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proportions of poor students made less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 94 percent of that made in districts in the lowest poverty group.[74]

To put the state's school finance system in perspective, table XI.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XI.3 presents data on how local, state, and federal funds were distributed among the five groups of California districts. (Fig. XI.1 provides table information in graphic form.)

Table XI.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	971	298	186	167	114	206
Total pupils	4,978,164	984,949	1,012,882	989,719	729,215	1,261,399
Poverty rate (percent)	18.4	5.7	11.8	17.5	23.7	31.3
Tax effort[a]	$11.68	$11.66	$11.57	$11.08	$14.16	$10.91

[a]Local funding raised for every $1,000 of district income.

Table XI.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil					Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	**State**	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**		
Local[a]	$1,426	$2,315	$1,639	$1,381	$1,295	$835	2.77	177
State	3,131	2,656	3,063	3,167	3,127	3,507	0.76	[b]
Subtotal	**$4,557**	**$4,971**	**$4,703**	**$4,548**	**$4,421**	**$4,342**	**1.14**	**14**
Federal[a]	344	154	227	313	395	547	0.28	[b]
Total	**$4,902**	**$5,126**	**$4,930**	**$4,861**	**$4,816**	**$4,889**	**1.05**	**5**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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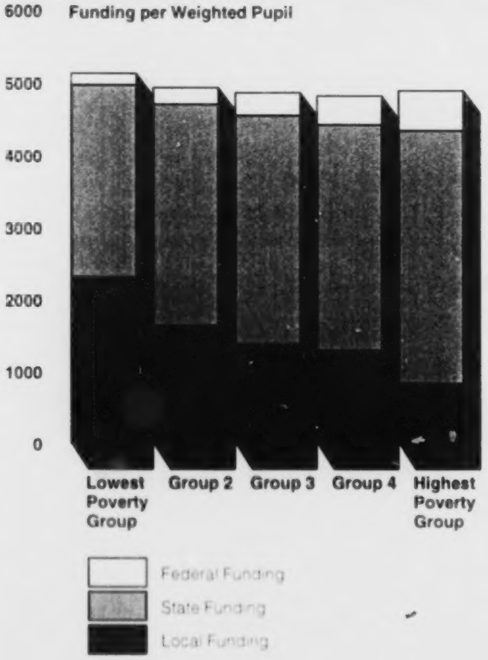
[74]The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XI.1: Funding Distribution (in Dollars) **in California, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A California education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in California's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about California appears in appendixes III and IV.

State Profile: Colorado

Table XII.1: Summary Data, School Year 1991-92: Colorado

Average total funding per weighted pupil	$5,288
Sources of total funding	
Local share	54.3%
State share	41.5%
Federal share	4.2%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.27
Federal funding weight	$5.69
Total funding weight (effect of combined state and federal funding)	$0.57
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	103%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	24%
State + local funds	9%
Federal + state + local funds	3%

As table XII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Colorado averaged $5,288. The localities provided about 54 percent of total funding for education; the state provided about 42 percent; federal funds provided about 4 percent.

Colorado's state funding had the effect of providing districts with an additional $.27 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.57 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Colorado's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 24 percent to about 9 percent. The addition of federal funding further reduced the funding gap between these groups to about 3 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Colorado, districts with the highest

proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 103 percent of that made in districts in the lowest poverty group.[75]

To put the state's school finance system in perspective, table XII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XII.3 presents data on how local, state, and federal funds were distributed among the five groups of Colorado districts. (Fig. XII.1 provides table information in graphic form.)

Table XII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	174	17	16	36	56	49
Total pupils	592,435	87,165	141,216	120,273	125,526	118,255
Poverty rate (percent)	14.8	4.7	8.1	12.0	18.7	28.9
Tax effort[a]	$34.86	$36.55	$29.84	$36.96	$35.73	$37.61

[a]Local funding raised for every $1,000 of district income.

Table XII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	**State**	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**	**Group 1 funding compared with group 5 funding**	**Percent difference (group 1 compared with group 5)**
Local[a]	$2,872	$3,718	$2,972	$2,584	$2,409	$2,999	1.24	24
State	2,194	1,879	2,197	2,336	2,421	2,116	.89	[b]
Subtotal	**$5,066**	**$5,597**	**$5,170**	**$4,920**	**$4,830**	**$5,115**	**1.09**	**9**
Federal[a]	222	94	156	192	244	397	.24	[b]
Total	**$5,288**	**$5,691**	**$5,325**	**$5,112**	**$5,074**	**$5,511**	**1.03**	**3**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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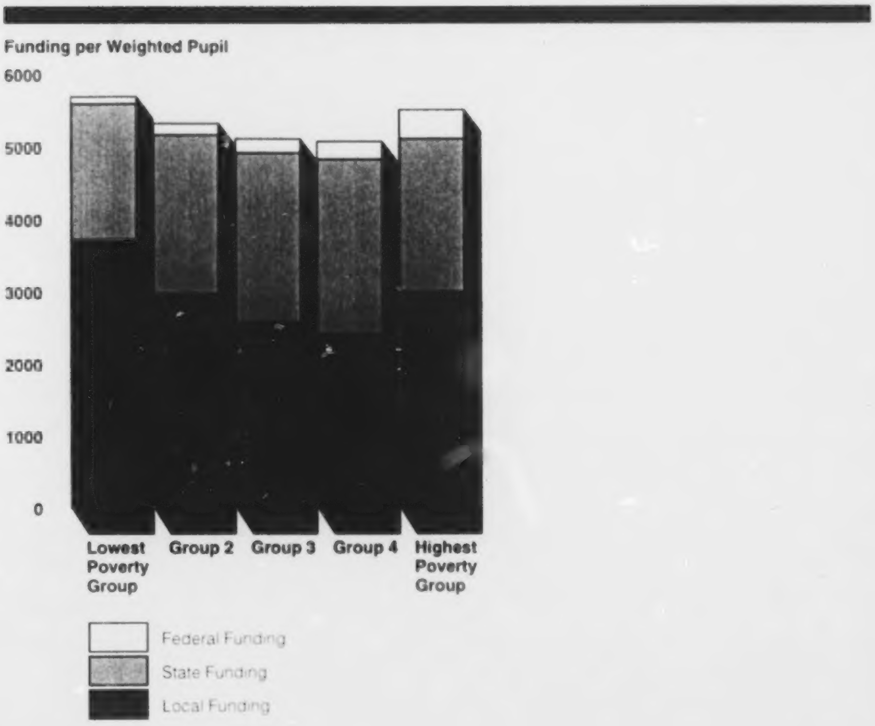
[75] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XII.1: Funding Distribution (in Dollars) **in Colorado, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Colorado education official reported that the state had targeted much more funding to high-poverty districts since school year 1991-92. More information on changes in Colorado's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Colorado appears in appendixes III and IV.

State Profile: Connecticut

Table XIII.1: Summary Data, School Year 1991-92: Connecticut

Average total funding per weighted pupil	$8,531
Sources of total funding	
Local share	59%
State share	37%
Federal share	4%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$1.53
Federal funding weight	$6.99
Total funding weight (effect of combined state and federal funding)	$1.89
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	81%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	172%
State + local funds	27%
Federal + state + local funds	17%

As table XIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Connecticut averaged $8,531. The localities provided about 59 percent of total funding for education; the state provided about 37 percent; federal funds provided about 4 percent.

Connecticut's state funding had the effect of providing districts with an additional $1.53 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.89 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Connecticut's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 172 percent to about 27 percent. The addition of federal funding further reduced the funding gap between these groups to about 17 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Connecticut, districts with the highest

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proportions of poor students made less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 81 percent of that made in districts in the lowest poverty group.[76]

To put the state's school finance system in perspective, table XIII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XIII.3 presents data on how local, state, and federal funds were distributed among the five groups of Connecticut districts. (Fig. XIII.1 provides table information in graphic form.)

Table XIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	159	48	30	46	27	8
Total pupils	462,403	93,882	86,648	99,483	85,983	96,407
Poverty rate (percent)	10.4	1.7	3.2	5.1	9.5	31.5
Tax effort[a]	$33.98	$35.55	$34.54	$35.40	$33.30	$28.84

[a]Local funding raised for every $1,000 of district income.

Table XIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$5,035	$6,470	$6,481	$5,458	$5,075	$2,378	2.72	172
State	3,186	2,399	2,402	3,091	3,158	4,597	.52	[b]
Subtotal	**$8,221**	**$8,868**	**$8,883**	**$8,549**	**$8,233**	**$6,975**	**1.27**	**27**
Federal[a]	310	125	147	185	309	689	.18	[b]
Total	**$8,531**	**$8,993**	**$9,029**	**$8,734**	**$8,541**	**$7,664**	**1.17**	**17**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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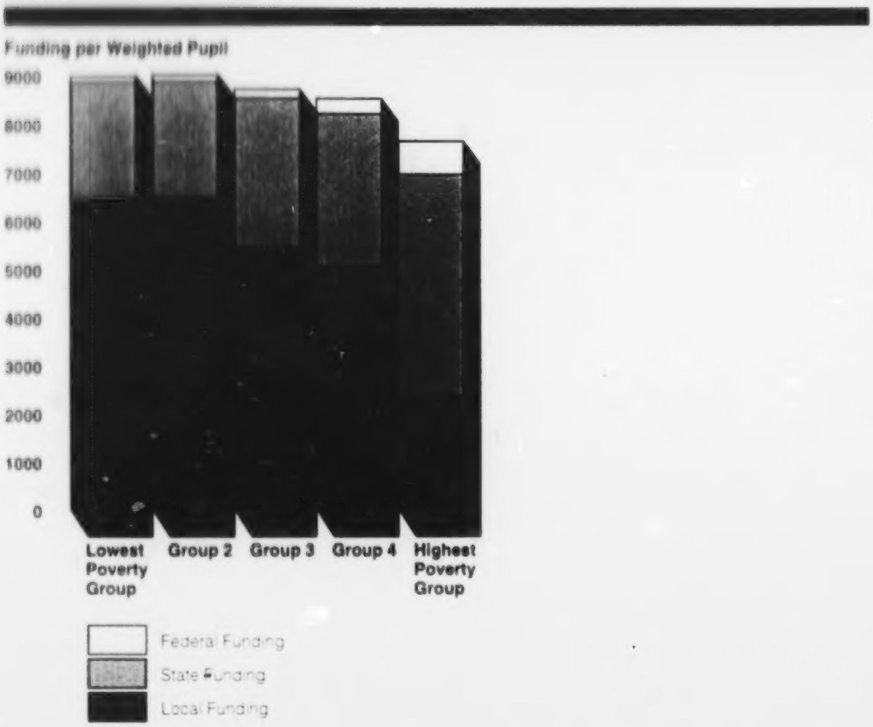
[76]The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XIII.1: Funding Distribution *(in Dollars)* **in Connecticut, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Connecticut education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Connecticut's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Connecticut appears in appendixes III and IV.

State Profile: Delaware

Table XIV.1: Summary Data, School Year 1991-92: Delaware

Average total funding per weighted pupil	$6,008
Sources of total funding	
Local share	28%
State share	65%
Federal share	7%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.38
Federal funding weight	$3.15
Total funding weight (effect of combined state and federal funding)	$0.56
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	130%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	65%
State + local funds	7%
Federal + state + local funds	4%

As table XIV.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Delaware averaged $6,008. The localities provided about 28 percent of total funding for education; the state provided about 65 percent; federal funds provided about 7 percent.

Delaware's state funding had the effect of providing districts with an additional $.38 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.56 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Delaware's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 65 percent to about 7 percent. The addition of federal funding further reduced the funding gap between these groups to about 4 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Delaware, districts with the highest proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 130 percent of the effort made in districts in the lowest poverty group.[77]

To put the state's school finance system in perspective, table XIV.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XIV.3 presents data on how local, state, and federal funds were distributed among the five groups of Delaware districts. (Fig. XIV.1 provides table information in graphic form.)

Table XIV.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	16	2	4	2	3	5
Total pupils	97,986	14,025	28,883	21,886	13,140	20,052
Poverty rate (percent)	12.2	7.6	9.8	11.4	12.7	19.6
Tax effort[a]	$15.40	$13.23	$14.26	$20.53	$10.10	$17.14

[a]Local funding raised for every $1,000 of district income.

Table XIV.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil					Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$1,660	$1,984	$1,960	$2,022	$695	$1,203	1.65	65
State	3,916	3,622	3,750	3,980	4,349	4,046	.90	[b]
Subtotal	**$5,577**	**$5,606**	**$5,710**	**$6,002**	**$5,044**	**$5,248**	**1.07**	**7**
Federal[a]	431	322	372	359	817	435	.74	[b]
Total	**$6,008**	**$5,927**	**$6,083**	**$6,361**	**$5,861**	**$5,683**	**1.04**	**4**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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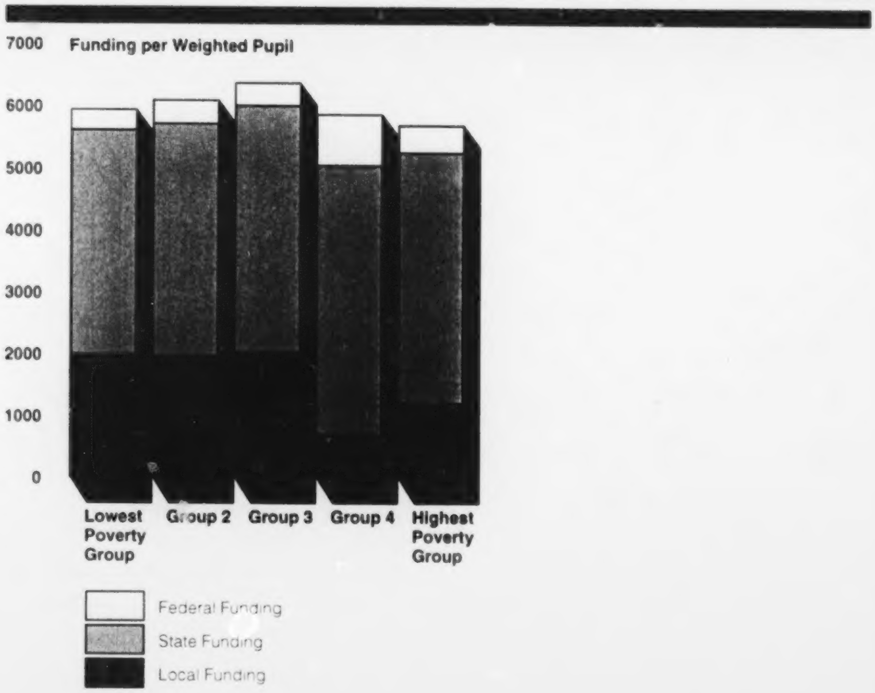
[77] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XIV.1: Funding Distribution (in Dollars) **in Delaware, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Delaware education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Delaware's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Delaware appears in appendixes III and IV.

State Profile: Florida

Table XV.1: Summary Data, School Year 1991-92: Florida

Average total funding per weighted pupil	$5,964
Sources of total funding	
Local share	44%
State share	49%
Federal share	7%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.62
Federal funding weight	$4.18
Total funding weight (effect of combined state and federal funding)	$0.75
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	99%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	58%
State + local funds	7%
Federal + state + local funds	3%

As table XV.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Florida averaged $5,964. The localities provided about 44 percent of total funding for education; the state provided about 49 percent; federal funds provided about 7 percent.

Florida's state funding had the effect of providing districts with an additional $.62 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.75 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Florida's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 58 percent to about 7 percent. The addition of federal funding further reduced the funding gap between these groups to about 3 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Florida, districts with the highest proportions of poor students made slightly less effort to raise local revenue than

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districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 99 percent of that made in districts in the lowest poverty group.[78]

To put the state's school finance system in perspective, table XV.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XV.3 presents data on how local, state, and federal funds were distributed among the five groups of Florida districts. (Fig. XV.1 provides table information in graphic form.)

Table XV.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	67	13	5	8	18	23
Total pupils	1,929,239	368,530	361,711	365,238	381,616	452,144
Poverty rate (percent)	18.6	12.9	15.2	17.4	20.0	25.8
Tax effort[a]	$26.56	$25.11	$29.24	$27.52	$25.31	$24.89

[a] Local funding raised for every $1,000 of district income.

Table XV.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$2,617	$2,937	$3,832	$2,506	$2,194	$1,853	1.58	58
State	2,946	2,716	2,390	2,901	3,164	3,451	.79	b
Subtotal	**$5,564**	**$5,652**	**$6,223**	**$5,407**	**$5,358**	**$5,304**	**1.07**	**7**
Federal[a]	400	293	367	360	468	490	.60	b
Total	**$5,964**	**$5,946**	**$6,590**	**$5,767**	**$5826**	**$5,793**	**1.03**	**3**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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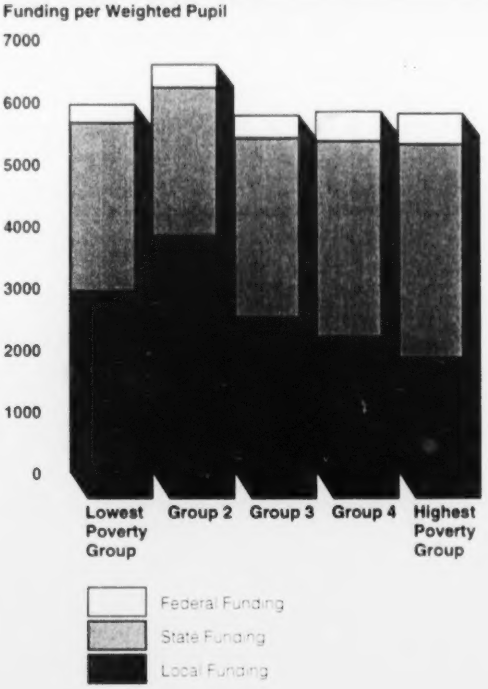
[78] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XV.1: Funding Distribution (in Dollars) in Florida, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Florida education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Florida's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Florida appears in appendixes III and IV.

State Profile: Georgia

Table XVI.1: Summary Data, School Year 1991-92: Georgia

Average total funding per weighted pupil	$4,688
Sources of total funding	
Local share	42%
State share	50%
Federal share	8%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.40
Federal funding weight	$4.35
Total funding weight (effect of combined state and federal funding)	$0.81
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	122%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	32%
State + local funds	7%
Federal + state + local funds	-3%

As table XVI.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Georgia averaged $4,688. The localities provided about 42 percent of total funding for education; the state provided about 50 percent; federal funds provided about 8 percent.

Georgia's state funding had the effect of providing districts with an additional $.40 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.81 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Georgia's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 32 percent to about 7 percent. The addition of federal funding eliminated the funding gap between these groups to the extent that the lowest poverty group had about 3 percent less funding than the highest poverty group. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Georgia, districts with the highest proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 122 percent of that made in districts in the lowest poverty group.[79]

To put the state's school finance system in perspective, table XVI.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XVI.3 presents data on how local, state, and federal funds were distributed among the five groups of Georgia districts. (Fig. XVI.1 provides table information in graphic form.)

Table XVI.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	183	11	17	57	35	63
Total pupils	1,177,358	236,284	235,528	237,795	238,664	229,087
Poverty rate (percent)	19.6	5.8	11.7	18.1	26.3	36.7
Tax effort[a]	$26.51	$25.65	$28.65	$23.81	$22.72	$31.37

[a] Local funding raised for every $1,000 of district income.

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[79] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Table XVI.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

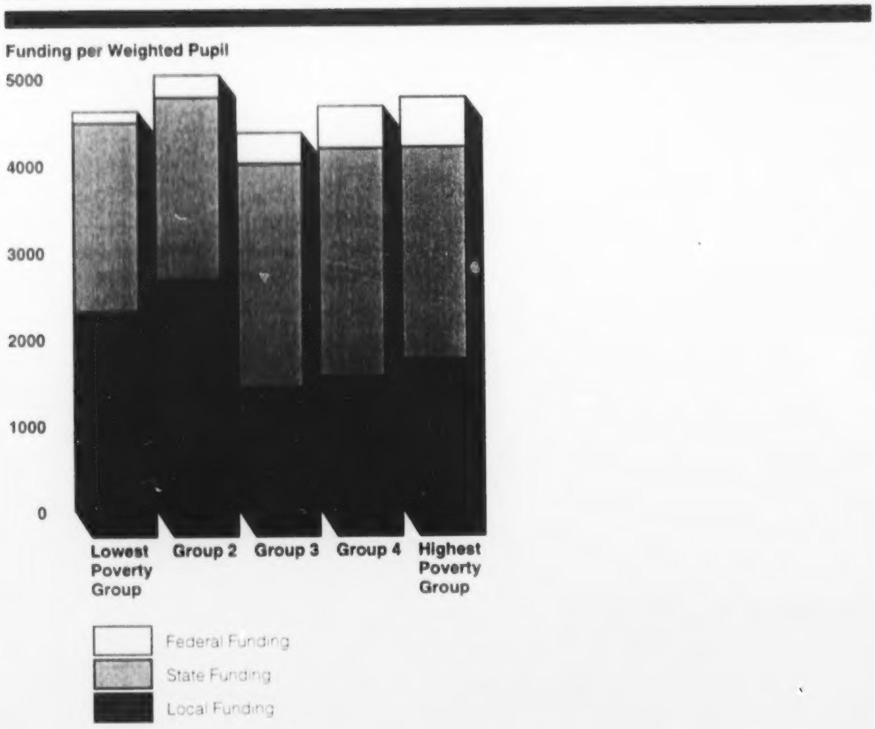
Funding source	State	Mean funding per weighted pupil					Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
		Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$1,972	$2,308	$2,677	$1,429	$1,554	$1,748	1.32	32
State	2,361	2,175	2,097	2,579	2,632	2,451	.89	[b]
Subtotal	**$4,333**	**$4,483**	**$4,775**	**$4,008**	**$4,186**	**$4,199**	**1.07**	**7**
Federal[a]	354	130	252	355	481	569	.23	[b]
Total	**$4,688**	**$4,614**	**$5,027**	**$4,363**	**$4,666**	**$4,768**	**.97**	**–3**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

Figure XVI.1: Funding Distribution (in Dollars) **in Georgia, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Georgia education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Georgia's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Georgia appears in appendixes III and IV.

State Profile: Idaho

Table XVII.1: Summary Data, School Year 1991-92: Idaho

Average total funding per weighted pupil	$3,805
Sources of total funding	
Local share	31%
State share	62%
Federal share	7%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.66
Federal funding weight	$4.73
Total funding weight (effect of combined state and federal funding)	$1.10
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	90%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	32%
State + local funds	7%
Federal + state + local funds	2%

As table XVII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Idaho averaged $3,805. The localities provided about 31 percent of total funding for education; the state provided about 62 percent; federal funds provided about 7 percent.

Idaho's state funding had the effect of providing districts with an additional $.66 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.10 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Idaho's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 32 percent to about 7 percent. The addition of federal funding further reduced the funding gap between these groups to about 2 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Idaho, districts with the highest proportions of poor students made less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 90 percent of that made in districts in the lowest poverty group.[80]

To put the state's school finance system in perspective, table XVII.2 presents demographic data for school year 1991-92 for five groups with districts of increasing proportions of poor students. Table XVII.3 presents data on how local, state, and federal funds were distributed among the five groups of Idaho districts. (Fig. XVII.1 provides table information in graphic form.)

Table XVII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	108	25	12	13	22	36
Total pupils	216,503	37,444	49,844	41,646	46,426	41,143
Poverty rate (percent)	15.8	9.0	13.1	15.2	17.4	23.8
Tax effort[a]	$22.68	$23.10	$23.58	$22.53	$22.69	$20.75

[a] Local funding raised for every $1,000 of district income.

Table XVII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$1,174	$1,151	$1,550	$1,236	$1,018	$874	1.32	32
State	2,350	2,419	2,220	2,389	2,341	2,476	.98	[b]
Subtotal	**$3,523**	**$3,570**	**$3,770**	**$3,625**	**$3,359**	**$3,350**	**1.07**	**7**
Federal[a]	281	211	218	276	335	369	.57	[b]
Total	**$3,805**	**$3,781**	**$3,988**	**$3,901**	**$3,694**	**$3,719**	**1.02**	**2**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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[80] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

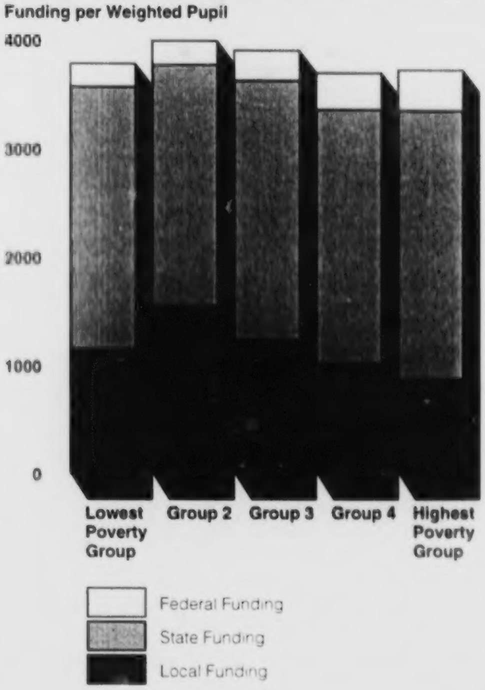

Figure XVII.1: Funding Distribution (in Dollars) **in Idaho, School Year 1991-92**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Idaho education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Idaho's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Idaho appears in appendixes III and IV.

State Profile: Illinois

Table XVIII.1: Summary Data, School Year 1991-92: Illinois

Average total funding per weighted pupil	$5,295
Sources of total funding	
Local share	63%
State share	31%
Federal share	6%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$2.01
Federal funding weight	$5.93
Total funding weight (effect of combined state and federal funding)	$3.08
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	131%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	158%
State + local funds	63%
Federal + state + local funds	42%

As table XVIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Illinois averaged $5,295. The localities provided about 63 percent of total funding for education; the state provided about 31 percent; federal funds provided about 6 percent.

Illinois's state funding had the effect of providing districts with an additional $2.01 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $3.08 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Illinois's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 158 percent to about 63 percent. The addition of federal funding further reduced the funding gap between these groups to about 42 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Illinois, districts with the highest proportions

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of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 131 percent of that made in districts in the lowest poverty group.[81]

To put the state's school finance system in perspective, table XVIII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XVIII.3 presents data on how local, state, and federal funds were distributed among the five groups of Illinois districts. (Fig. XVIII.1 provides table information in graphic form.)

Table XVIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	934	197	236	285	190	26
Total pupils	1,821,061	362,025	364,654	364,813	287,511	442,058
Poverty rate (percent)	16.4	2.3	6.3	13.2	22.9	34.8
Tax effort[a]	$24.30	$23.10	$24.96	$22.92	$20.35	$30.36

[a] Local funding raised for every $1,000 of district income.

Table XVIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil						Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$3,325	$5,628	$3,966	$2,906	$1,903	$2,178	2.58	158
State	1,652	977	1,458	1,908	2,258	1,872	.52	[b]
Subtotal	**$4,976**	**$6,605**	**$5,424**	**$4,814**	**$4,161**	**$4,050**	**1.63**	**63**
Federal[a]	319	81	133	218	347	658	.12	[b]
Total	**$5,295**	**$6,686**	**$5,557**	**$5,033**	**$4,508**	**$4,708**	**1.42**	**42**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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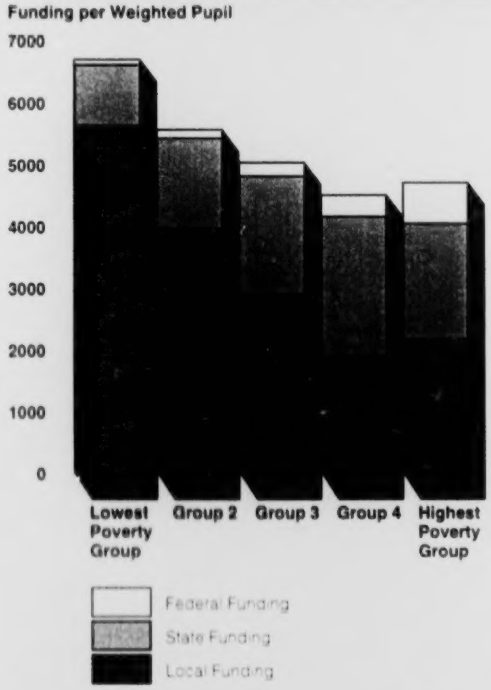
[81] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XVIII.1: Funding Distribution (in Dollars) **in Illinois, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Illinois education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Illinois's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Illinois appears in appendixes III and IV.

State Profile: Indiana

Table XIX.1: Summary Data, School Year 1991-92: Indiana

Average total funding per weighted pupil	$5,248
Sources of total funding	
Local share	43.7%
State share	51.5%
Federal share	4.8%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.78
Federal funding weight	$4.93
Total funding weight (effect of combined state and federal funding)	$1.19
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	110%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	43%
State + local funds	14%
Federal + state + local funds	7%

As table XIX.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Indiana averaged $5,248. The localities provided about 44 percent of total funding for education; the state provided about 52 percent; federal funds provided about 5 percent.

Indiana's state funding had the effect of providing districts with an additional $.78 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.19 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Indiana's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 43 percent to about 14 percent. The addition of federal funding further reduced the funding gap between these groups to about 7 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Indiana, districts with the highest proportions

of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 110 percent of that made in districts in the lowest poverty group.[82]

To put the state's school finance system in perspective, table XIX.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XIX.3 presents data on how local, state, and federal funds were distributed among the five groups of Indiana districts. (Fig. XIX.1 provides table information in graphic form.)

Table XIX.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	294	65	78	60	51	40
Total pupils	952,639	187,161	193,705	194,460	189,234	188,079
Poverty rate (percent)	13.5	4.3	7.9	11.8	15.9	27.6
Tax effort[a]	$30.04	$28.60	$32.78	$29.94	$27.99	$31.41

[a]Local funding raised for every $1,000 of district income.

Table XIX.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$2,293	$2,757	$2,515	$2,153	$2,163	$1,930	1.43	43
State	2,703	2,667	2,651	2,735	2,632	2,846	.94	[b]
Subtotal	**$4,996**	**$5,424**	**$5,166**	**$4,889**	**$4,795**	**$4,776**	**1.14**	**14**
Federal[a]	253	129	177	258	277	401	.32	[b]
Total	**$5,248**	**$5,553**	**$5,343**	**$5,147**	**$5,072**	**$5,177**	**1.07**	**7**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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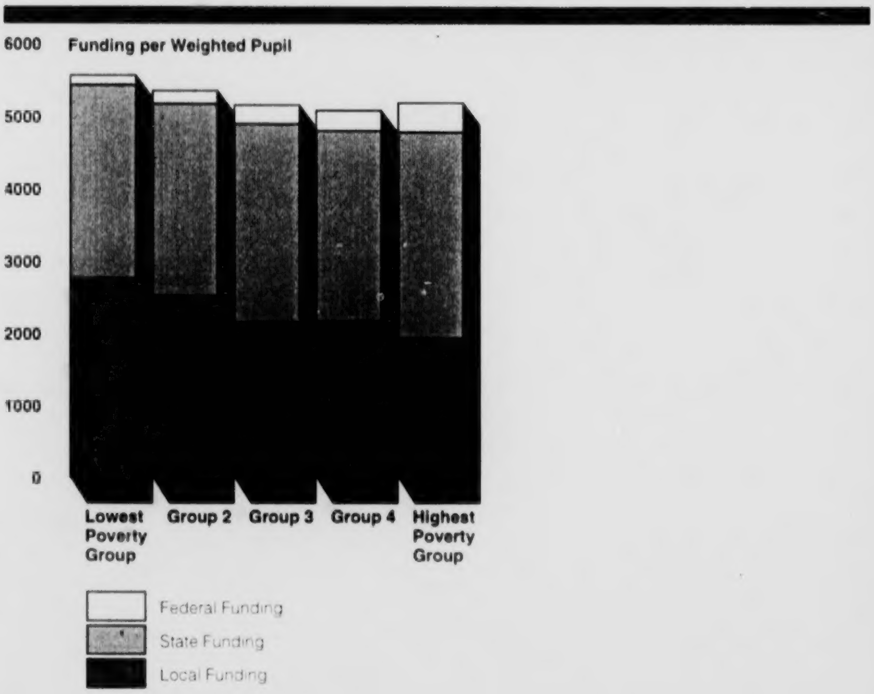
[82] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XIX.1: Funding Distribution (in Dollars) **in Indiana, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Indiana education official reported that the state had targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Indiana's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Indiana appears in appendixes III and IV.

State Profile: Iowa

Table XX.1: Summary Data, School Year 1991-92: Iowa

Average total funding per weighted pupil	$5,051
Sources of total funding	
Local share	49%
State share	47%
Federal share	4%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.91
Federal funding weight	$4.72
Total funding weight (effect of combined state and federal funding)	$1.27
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	92%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	34%
State + local funds	15%
Federal + state + local funds	11%

As table XX.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Iowa averaged $5,051. The localities provided about 49 percent of total funding for education; the state provided about 47 percent; federal funds provided about 4 percent.

Iowa's state funding had the effect of providing districts with an additional $.91 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.27 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Iowa's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 34 percent to about 15 percent. The addition of federal funding further reduced the funding gap between these groups to about 11 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Iowa, districts with the highest proportions of poor students made less effort to raise local revenue than districts with the

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lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 92 percent of that made in districts in the lowest poverty group.[83]

To put the state's school finance system in perspective, table XX.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XX.3 presents data on how local, state, and federal funds were distributed among the five groups of Iowa districts. (Fig. XX.1 provides table information in graphic form.)

Table XX.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	419	100	94	83	64	78
Total pupils	487,004	96,755	92,876	102,912	94,428	100,033
Poverty rate (percent)	13.8	5.7	10.4	13.4	17.4	21.8
Tax effort[a]	$35.26	$37.81	$36.45	$33.45	$33.82	$34.88

[a]Local funding raised for every $1,000 of district income.

Table XX.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil						Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$2,474	$2,904	$2,692	$2,486	$2,298	$2,163	1.34	34
State	2,375	2,362	2,361	2,346	2,406	2,431	.97	[b]
Subtotal	**$4,850**	**$5,266**	**$5,053**	**$4,833**	**$4,704**	**$4,594**	**1.15**	**15**
Federal[a]	201	122	182	198	253	249	.49	[b]
Total	**$5,051**	**$5,388**	**$5,235**	**$5,030**	**$4,957**	**$4,843**	**1.11**	**11**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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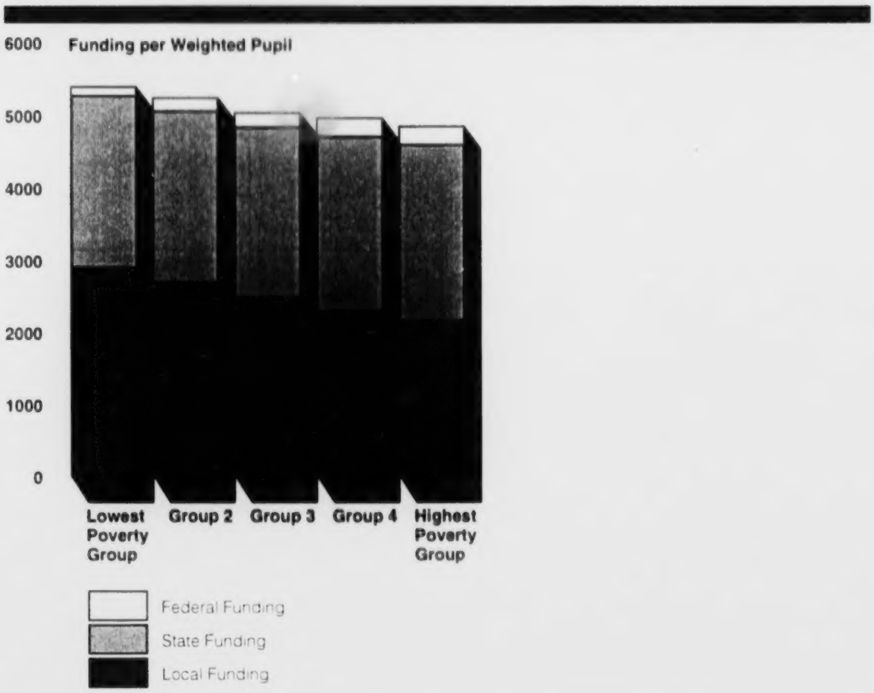
[83] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XX.1: Funding Distribution (in Dollars) in Iowa, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Iowa education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Iowa's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Iowa appears in appendixes III and IV.

State Profile: Kansas

Table XXI.1: Summary Data, School Year 1991-92: Kansas

Average total funding per weighted pupil	$5,240
Sources of total funding	
Local share	53.8%
State share	41.6%
Federal share	4.6%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.18
Federal funding weight	$5.79
Total funding weight (effect of combined state and federal funding)	$0.52
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	122%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	39%
State + local funds	10%
Federal + state + local funds	4%

As table XXI.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Kansas averaged $5,240. The localities provided about 54 percent of total funding for education; the state provided about 42 percent; federal funds provided about 5 percent.

Kansas' state funding had the effect of providing districts with an additional $.18 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.52 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Kansas' targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 39 percent to about 10 percent. The addition of federal funding further reduced the funding gap between these groups to about 4 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Kansas, districts with the highest proportions

of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 122 percent of that made in districts in the lowest poverty group.[84]

To put the state's school finance system in perspective, table XXI.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXI.3 presents data on how local, state, and federal funds were distributed among the five groups of Kansas districts. (Fig. XXI.1 provides table information in graphic form.)

Table XXI.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	304	32	89	63	45	75
Total pupils	437,033	86,320	90,037	86,272	83,901	90,503
Poverty rate (percent)	13.8	4.1	9.1	14.3	17.6	23.6
Tax effort[a]	$37.40	$31.29	$42.92	$39.41	$38.84	$38.14

[a]Local funding raised for every $1,000 of district income.

Table XXI.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$2,820	$3,253	$2,848	$2,742	$3,072	$2,342	1.39	39
State	2,181	1,935	2,627	2,157	2,042	2,371	.82	[b]
Subtotal	**$5,001**	**$5,188**	**$5,475**	**$4,899**	**$5,114**	**$4,713**	**1.10**	**10**
Federal[a]	239	112	193	242	273	365	.31	[b]
Total	**$5,240**	**$5,300**	**$5,668**	**$5,140**	**$5,387**	**$5,078**	**1.04**	**4**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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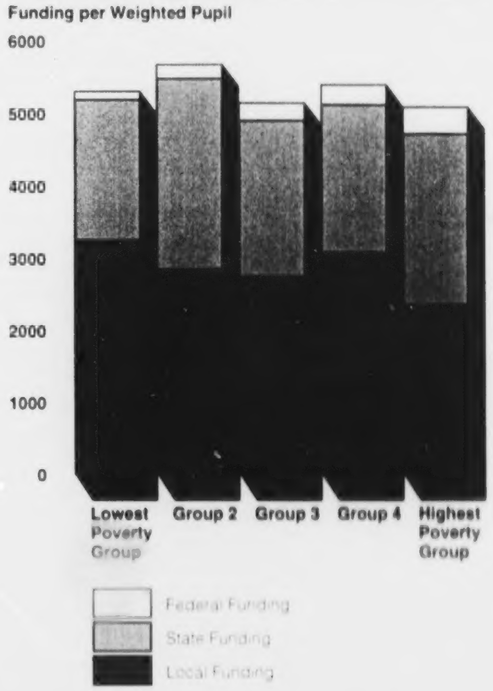
[84] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXI.1: Funding Distribution (in Dollars) in Kansas, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Kansas education official reported that the state had targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Kansas' school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Kansas appears in appendixes III and IV.

State Profile: Kentucky

Table XXII.1: Summary Data, School Year 1991-92: Kentucky

Average total funding per weighted pupil	$4,174
Sources of total funding	
Local share	27%
State share	63%
Federal share	11%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.59
Federal funding weight	$2.91
Total funding weight (effect of combined state and federal funding)	$0.87
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	99%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	104%
State + local funds	6%
Federal + state + local funds	-3%

As table XXII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Kentucky averaged $4,174. The localities provided about 27 percent of total funding for education; the state provided about 63 percent; federal funds provided about 11 percent.

Kentucky's state funding had the effect of providing districts with an additional $.59 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.87 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Kentucky's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 104 percent to about 6 percent. The addition of federal funding eliminated the funding gap between these groups to the extent that the lowest poverty group had about 3 percent less funding than the highest poverty group. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

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The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Kentucky, districts with the highest proportions of poor students made slightly less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 99 percent of that made in districts in the lowest poverty group.[85]

To put the state's school finance system in perspective, table XXII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXII.3 presents data on how local, state, and federal funds were distributed among the five groups of Kentucky districts. (Fig. XXII.1 provides table information in graphic form.)

Table XXII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	175	32	17	33	42	51
Total pupils	633,901	127,769	88,994	159,415	130,508	127,215
Poverty rate (percent)	25.1	12.1	18.7	21.5	29.9	42.5
Tax effort[a]	$17.41	$15.71	$19.19	$19.05	$15.96	$15.63

[a] Local funding raised for every $1,000 of district income

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[85] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Table XXII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

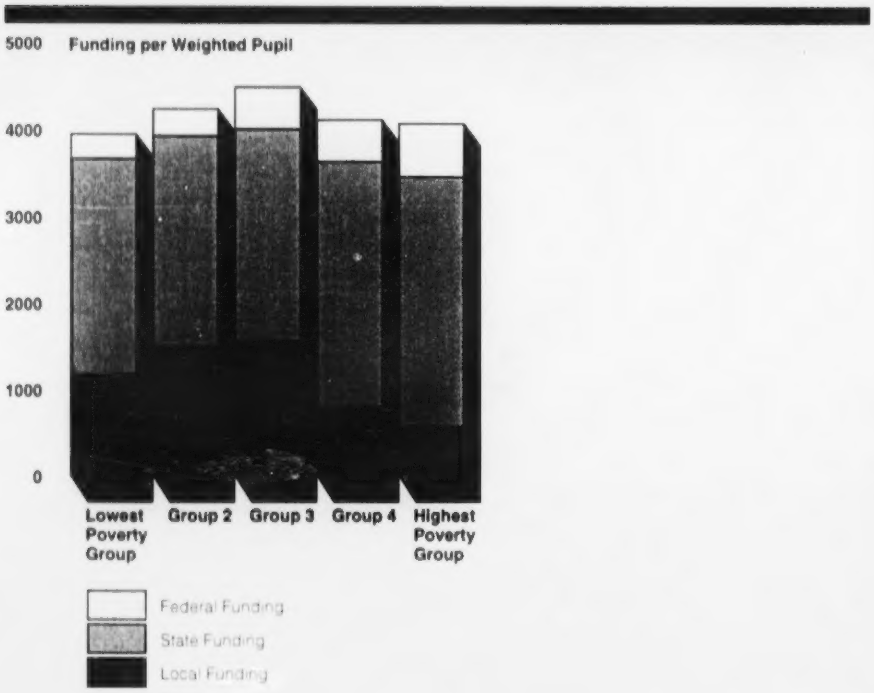
		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$1,122	$1,177	$1,499	$1,561	$809	$576	2.04	104
State	2,609	2,488	2,428	2,446	2,824	2,883	.86	[b]
Subtotal	**$3,731**	**$3,666**	**$3,926**	**$4,007**	**$3,634**	**$3,460**	**1.06**	**6**
Federal[a]	444	280	307	480	478	610	.46	[b]
Total	**$4,174**	**$3,945**	**$4,234**	**$4,487**	**$4,112**	**$4,069**	**.97**	**–3**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

Figure XXII.1: Funding Distribution (in Dollars) **in Kentucky, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Kentucky education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Kentucky's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Kentucky appears in appendixes III and IV.

State Profile: Louisiana

Table XXIII.1: Summary Data, School Year 1991-92: Louisiana

Average total funding per weighted pupil	$4,397
Sources of total funding	
Local share	34%
State share	55%
Federal share	11%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.14
Federal funding weight	$2.98
Total funding weight (effect of combined state and federal funding)	$0.70
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	126%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	15%
State + local funds	11%
Federal + state + local funds	2%

As table XXIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Louisiana averaged $4,397. The localities provided about 34 percent of total funding for education; the state provided about 55 percent; federal funds provided about 11 percent.

Louisiana's state funding had the effect of providing districts with an additional $.14 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.70 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Louisiana's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 15 percent to about 11 percent. The addition of federal funding further reduced the funding gap between these groups to about 2 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Louisiana, districts with the highest

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proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 126 percent of that made in districts in the lowest poverty group.[86]

To put the state's school finance system in perspective, table XXIII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXIII.3 presents data on how local, state, and federal funds were distributed among the five groups of Louisiana districts. (Fig. XXIII.1 provides table information in graphic form.)

Table XXIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	65	8	6	16	23	12
Total pupils	753,188	153,193	152,839	130,552	172,681	143,923
Poverty rate (percent)	31.8	20.0	24.1	31.3	36.8	46.8
Tax effort[a]	$25.14	$22.25	$24.19	$26.57	$26.51	$28.06

[a] Local funding raised for every $1,000 of district income

Table XXIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil							
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$1,487	$1,749	$1,659	$1,278	$1,247	$1,524	1.15	15
State	2,433	2,490	2,478	2,432	2,487	2,291	1.09	[b]
Subtotal	**$3,920**	**$4,240**	**$4,137**	**$3,710**	**$3,734**	**$3,815**	**1.11**	**11**
Federal[a]	477	334	406	442	530	664	.50	[b]
Total	**$4,397**	**$4,574**	**$4,543**	**$4,152**	**$4,264**	**$4,480**	**1.02**	**2**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs

[a] Federal impact aid is considered part of local funding

[b] Not applicable to this analysis

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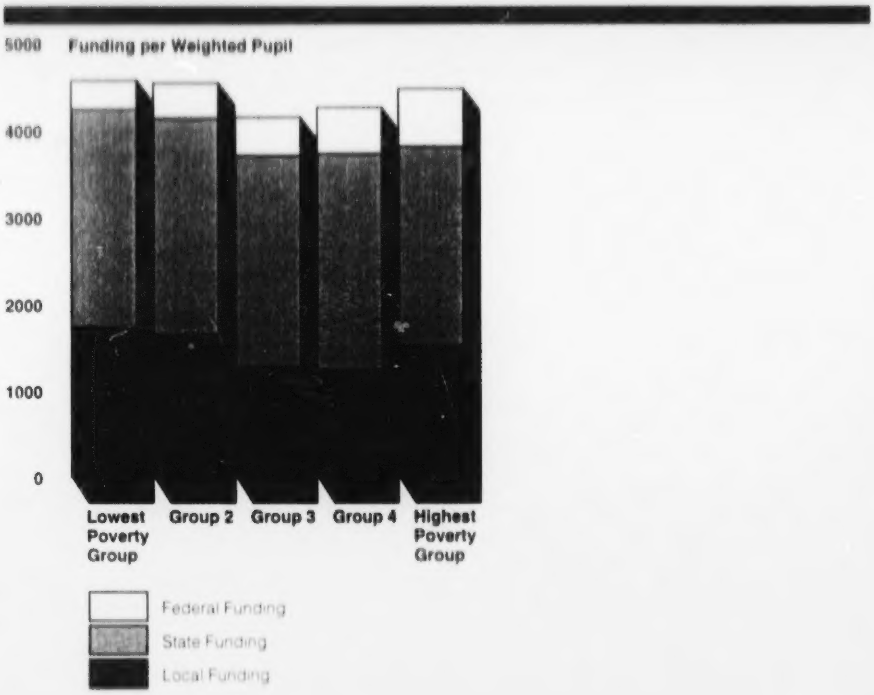
[86] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXIII.1: Funding Distribution (in Dollars) **in Louisiana, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Louisiana education official reported that the state had targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Louisiana's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Louisiana appears in appendixes III and IV.

State Profile: Maine

Table XXIV.1: Summary Data, School Year 1991-92: Maine

Average total funding per weighted pupil	$6,017
Sources of total funding	
Local share	48%
State share	47%
Federal share	5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.86
Federal funding weight	$6.81
Total funding weight (effect of combined state and federal funding)	$1.43
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	99%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	31%
State + local funds	10%
Federal + state + local funds	4%

As table XXIV.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Maine averaged $6,017. The localities provided about 48 percent of total funding for education; the state provided about 47 percent; federal funds provided about 5 percent.

Maine's state funding had the effect of providing districts with an additional $.86 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.43 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Maine's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 31 percent to about 10 percent. The addition of federal funding further reduced the funding gap between these groups to about 4 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Maine, districts with the highest proportions of poor students made slightly less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 99 percent of that made in districts in the lowest poverty group.[87]

To put the state's school finance system in perspective, table XXIV.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXIV.3 presents data on how local, state, and federal funds were distributed among the five groups of Maine districts. (Fig. XXIV.1 provides table information in graphic form.)

Table XXIV.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	227	44	52	43	38	50
Total pupils	211,295	42,492	42,020	44,525	40,365	41,893
Poverty rate (percent)	13.7	4.7	9.7	13.7	17.6	23.0
Tax effort[a]	$37.84	$38.93	$35.64	$40.15	$35.03	$38.51

[a]Local funding raised for every $1,000 of district income.

Table XXIV.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil						Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$2,891	$3,702	$2,796	$2,973	$2,131	$2,833	1.31	31
State	2,807	2,472	3,041	2,698	3,139	2,784	.89	[b]
Subtotal	**$5,697**	**$6,174**	**$5,837**	**$5,672**	**$5,270**	**$5,617**	**1.10**	**10**
Federal[a]	319	199	251	290	358	494	.40	[b]
Total	**$6,017**	**$6,373**	**$6,088**	**$5,961**	**$5,628**	**$6,111**	**1.04**	**4**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to this analysis.

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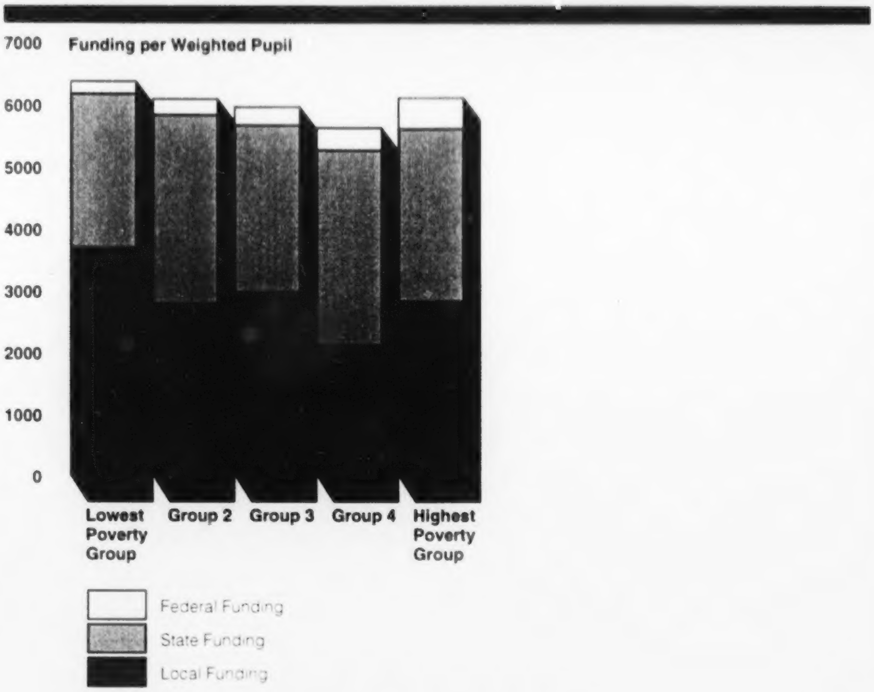
[87] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXIV.1: Funding Distribution (in Dollars) **in Maine, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Maine education official reported that the state had targeted less funding to high-poverty districts since school year 1991-92. More information on changes in Maine's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Maine appears in appendixes III and IV.

State Profile: Maryland

Table XXV.1: Summary Data, School Year 1991-92: Maryland

Average total funding per weighted pupil	$6,349
Sources of total funding	
Local share	57%
State share	38%
Federal share	5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.04
Federal funding weight	$6.19
Total funding weight (effect of combined state and federal funding)	$0.38
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	65%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	262%
State + local funds	80%
Federal + state + local funds	63%

As table XXV.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Maryland averaged $6,349. The localities provided about 57 percent of total funding for education; the state provided about 38 percent; federal funds provided about 5 percent.

Maryland's state funding had the effect of providing districts with an additional $.04 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.38 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Maryland's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 262 percent to about 80 percent. The addition of federal funding further reduced the funding gap between these groups to about 63 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Maryland, districts with the highest

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proportions of poor students made less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 65 percent of that made in districts in the lowest poverty group.[88]

To put the state's school finance system in perspective, table XXV.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXV.3 presents data on how local, state, and federal funds were distributed among the five groups of Maryland districts. (Fig. XXV.1 provides table information in graphic form.)

Table XXV.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	24	3	3	3	13	2
Total pupils	736,238	161,462	113,833	155,519	183,901	121,523
Poverty rate (percent)	11.3	5.0	6.1	6.9	10.4	31.5
Tax effort[a]	$31.43	$35.65	$33.57	$28.89	$30.78	$23.29

[a] Local funding raised for every $1,000 of district income

Table XXV.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil						Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$3,619	$5,737	$3,697	$3,190	$3,658	$1,585	3.62	262
State	2,438	1,920	2,592	2,635	2,483	2,661	.72	[b]
Subtotal	**$6,057**	**$7,657**	**$6,289**	**$5,824**	**$6,141**	**$4,246**	**1.80**	**80**
Federal[a]	292	179	190	256	265	567	.32	[b]
Total	**$6,349**	**$7,836**	**$6,479**	**$6,080**	**$6,406**	**$4,813**	**1.63**	**63**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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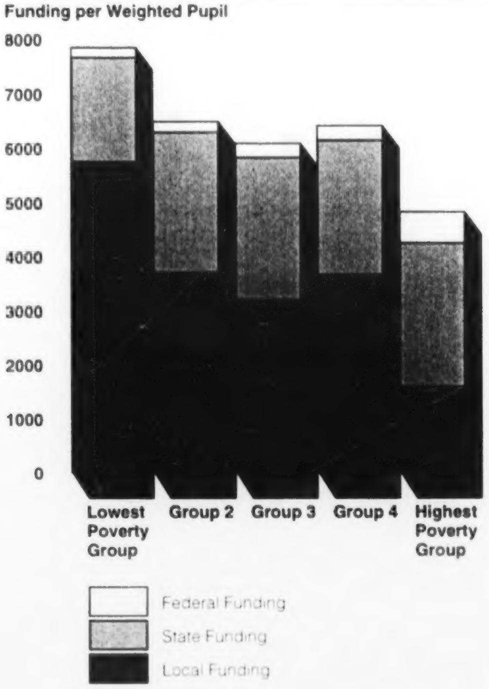
[88] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXV.1: Funding Distribution (in Dollars) **in Maryland, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Maryland education official reported that the state had targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Maryland's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Maryland appears in appendixes III and IV.

State Profile: Massachusetts

Table XXVI.1: Summary Data, School Year 1991-92: Massachusetts

Average total funding per weighted pupil	$6,601
Sources of total funding	
Local share	66%
State share	29%
Federal share	5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$2.98
Federal funding weight	$6.43
Total funding weight (effect of combined state and federal funding)	$3.60
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	88%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	99%
State + local funds	25%
Federal + state + local funds	14%

As table XXVI.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Massachusetts averaged $6,601. The localities provided about 66 percent of total funding for education; the state provided about 29 percent; federal funds provided about 5 percent.

Massachusetts's state funding had the effect of providing districts with an additional $2.98 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $3.60 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Massachusetts's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 99 percent to about 25 percent. The addition of federal funding further reduced the funding gap between these groups to about 14 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Massachusetts, districts with the highest

proportions of poor students made less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 88 percent of that made in districts in the lowest poverty group.[89]

To put the state's school finance system in perspective, table XXVI.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXVI.3 presents data on how local, state, and federal funds were distributed among the five groups of Massachusetts districts. (Fig. XXVI.1 provides table information in graphic form.)

Table XXVI.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	265	87	75	58	36	9
Total pupils	738,672	146,244	149,281	142,759	153,022	147,366
Poverty rate (percent)	13.3	2.4	5.2	9.3	18.3	30.9
Tax effort[a]	$32.57	$34.79	$34.62	$33.50	$28.06	$30.50

[a]Local funding raised for every $1,000 of district income.

Table XXVI.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil						Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$4,347	$5,831	$5,285	$4,875	$3,196	$2,923	1.99	99
State	1,932	1,244	1,464	1,567	2,480	2,734	.46	[b]
Subtotal	**$6,278**	**$7,075**	**$6,749**	**$6,442**	**$5,676**	**$5,656**	**1.25**	**25**
Federal[a]	323	109	154	220	412	642	.17	[b]
Total	**$6,601**	**$7,184**	**$6,903**	**$6,663**	**$6,087**	**$6,299**	**1.14**	**14**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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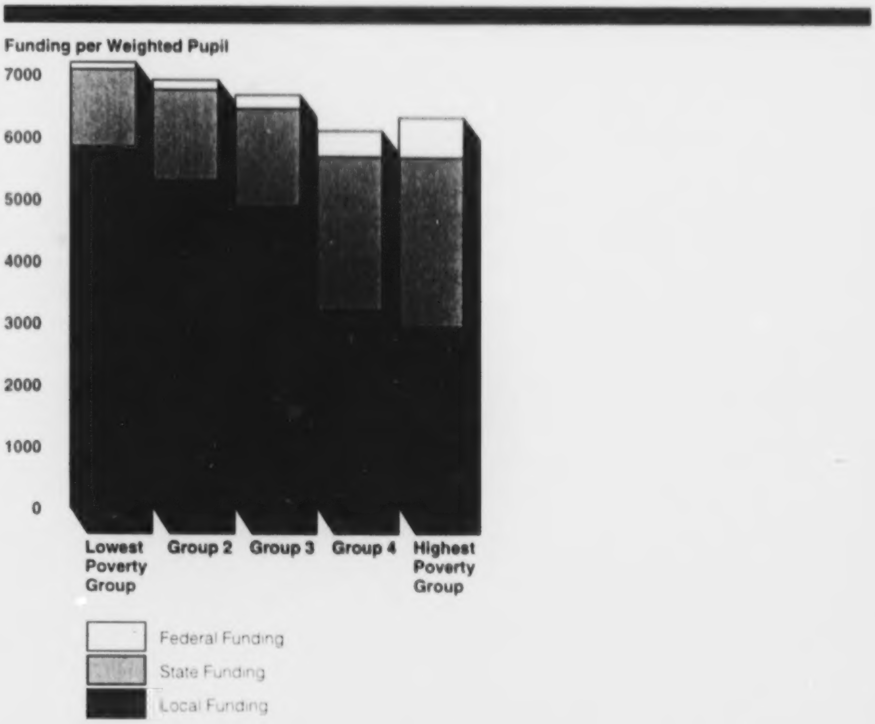
[89]The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXVI.1: Funding Distribution (in Dollars) in Massachusetts, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Massachusetts education official reported that the state had targeted much more funding to high-poverty districts since school year 1991-92. More information on changes in Massachusetts's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Massachusetts appears in appendixes III and IV.

State Profile: Michigan

Table XXVII.1: Summary Data, School Year 1991-92: Michigan

Average total funding per weighted pupil	$6,110
Sources of total funding	
Local share	64%
State share	32%
Federal share	4%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$2.71
Federal funding weight	$5.49
Total funding weight (effect of combined state and federal funding)	$3.11
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	82%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	193%
State + local funds	37%
Federal + state + local funds	26%

As table XXVII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Michigan averaged $6,110. The localities provided about 64 percent of total funding for education; the state provided about 32 percent; federal funds provided about 4 percent.

Michigan's state funding had the effect of providing districts with an additional $2.71 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $3.11 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Michigan's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 193 percent to about 37 percent. The addition of federal funding further reduced the funding gap between these groups to about 26 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Michigan, districts with the highest

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proportions of poor students made less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 82 percent of that made in districts in the lowest poverty group.[90]

To put the state's school finance system in perspective, table XXVII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXVII.3 presents data on how local, state, and federal funds were distributed among the five groups of Michigan districts. (Fig. XXVII.1 provides table information in graphic form.)

Table XXVII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	558	73	113	159	161	52
Total pupils	1,619,705	320,665	327,218	321,021	336,235	314,566
Poverty rate (percent)	17.4	3.7	7.5	12.8	21.3	42.1
Tax effort[a]	$48.38	$49.26	$48.91	$50.13	$50.75	$40.50

[a]Local funding raised for every $1,000 of district income.

Table XXVII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil							
		Lowest poverty				Highest poverty		
Funding source	**State**	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**	**Group 1 funding compared with group 5 funding**	**Percent difference (group 1 compared with group 5)**
Local[a]	$3,931	$6,050	$4,782	$3,612	$3,389	$2,065	2.93	193
State	1,925	887	1,425	2,006	2,106	2,998	.30	b
Subtotal	**$5,856**	**$6,937**	**$6,207**	**$5,618**	**$5,495**	**$5,062**	**1.37**	**37**
Federal[a]	254	92	127	182	280	535	.17	b
Total	**$6,110**	**$7,029**	**$6,334**	**$5,800**	**$5,775**	**$5,598**	**1.26**	**26**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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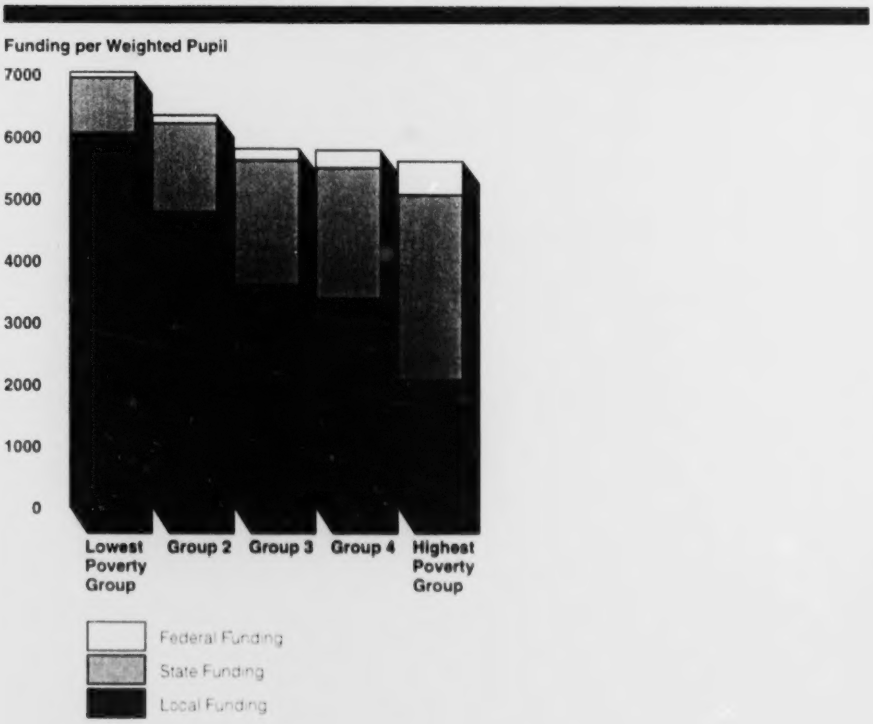
[90]The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXVII.1: Funding Distribution (in Dollars) **in Michigan, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Michigan education official reported that the state had targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Michigan's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Michigan appears in appendixes III and IV.

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State Profile: Minnesota

Table XXVIII.1: Summary Data, School Year 1991-92: Minnesota

Average total funding per weighted pupil	$5,872
Sources of total funding	
Local share	45%
State share	51%
Federal share	4%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.96
Federal funding weight	$6.57
Total funding weight (effect of combined state and federal funding)	$1.25
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	111%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	25%
State + local funds	-5%
Federal + state + local funds	-9%

As table XXVIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Minnesota averaged $5,872. The localities provided about 45 percent of total funding for education; the state provided about 51 percent; federal funds provided about 4 percent.

Minnesota's state funding had the effect of providing districts with an additional $.96 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.25 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Minnesota's targeting efforts and state share of total funding more than eliminated the 25-percent local funding gap between the lowest and highest poverty groups. Consequently, the lowest poverty group had about 5 percent less funding than the highest poverty group. The low-poverty group had about 9 percent less funding after the addition of federal funding. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Minnesota, districts with the highest proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 111 percent of that made in districts in the lowest poverty group.[91]

To put the state's school finance system in perspective, table XXVIII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXVIII.3 presents data on how local, state, and federal funds were distributed among the five groups of Minnesota districts. (Fig. XXVIII.1 provides table information in graphic form.)

Table XXVIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	404	31	43	83	135	112
Total pupils	741,835	144,806	150,165	153,726	146,038	147,100
Poverty rate (percent)	12.1	4.1	6.4	9.5	15.0	25.9
Tax effort[a]	$31.84	$31.66	$31.30	$31.39	$28.62	$35.25

[a] Local funding raised for every $1,000 of district income.

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[91] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Table XXVIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

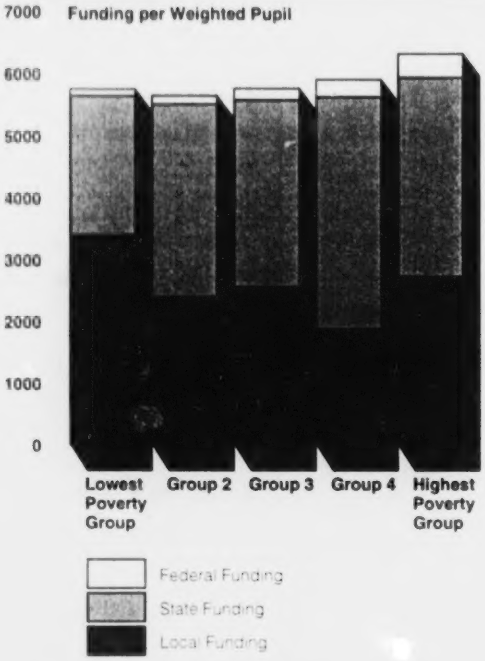
		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$2,636	$3,406	$2,398	$2,559	$1,876	$2,730	1.25	25
State	3,019	2,235	3,110	3,018	3,755	3,214	.70	[b]
Subtotal	**$5,654**	**$5,641**	**$5,508**	**$5,577**	**$5,631**	**$5,945**	**.95**	**–5**
Federal[a]	217	108	134	185	276	377	.29	[b]
Total	**$5,872**	**$5,749**	**$5,642**	**$5,762**	**$5,907**	**$6,322**	**.91**	**–9**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

Figure XXVIII.1: Funding Distribution (in Dollars) in Minnesota, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Minnesota education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Minnesota's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Minnesota appears in appendixes III and IV.

State Profile: Mississippi

Table XXIX.1: Summary Data, School Year 1991-92: Mississippi

Average total funding per weighted pupil	$3,386
Sources of total funding	
Local share	30%
State share	54%
Federal share	16%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.22
Federal funding weight	$2.68
Total funding weight (effect of combined state and federal funding)	$1.03
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	126%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	34%
State + local funds	18%
Federal + state + local funds	1%

As table XXIX.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Mississippi averaged $3,386. The localities provided about 30 percent of total funding for education; the state provided about 54 percent; federal funds provided about 16 percent.

Mississippi's state funding had the effect of providing districts with an additional $.22 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.03 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Mississippi's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 34 percent to about 18 percent. The addition of federal funding further reduced the funding gap between these groups to about 1 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Mississippi, districts with the highest

proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 126 percent of that made in districts in the lowest poverty group.[92]

To put the state's school finance system in perspective, table XXIX.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXIX.3 presents data on how local, state, and federal funds were distributed among the five groups of Mississippi districts. (Fig. XXIX.1 provides table information in graphic form.)

Table XXIX.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	148	23	25	22	39	39
Total pupils	496,277	95,917	103,702	98,779	100,903	96,976
Poverty rate (percent)	32.9	16.4	26.0	30.8	38.2	53.3
Tax effort[a]	$19.75	$18.26	$19.73	$19.21	$19.82	$22.95

[a]Local funding raised for every $1,000 of district income.

Table XXIX.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$1,016	$1,060	$1,021	$1,335	$897	$793	1.34	34
State	1,823	1,930	1,820	1,792	1,885	1,735	1.11	[b]
Subtotal	**$2,839**	**$2,990**	**$2,841**	**$3,127**	**$2,781**	**$2,529**	**1.18**	**18**
Federal[a]	547	341	454	528	633	770	.44	[b]
Total	**$3,386**	**$3,331**	**$3,295**	**$3,655**	**$3,414**	**$3,299**	**1.01**	**1**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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[92] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

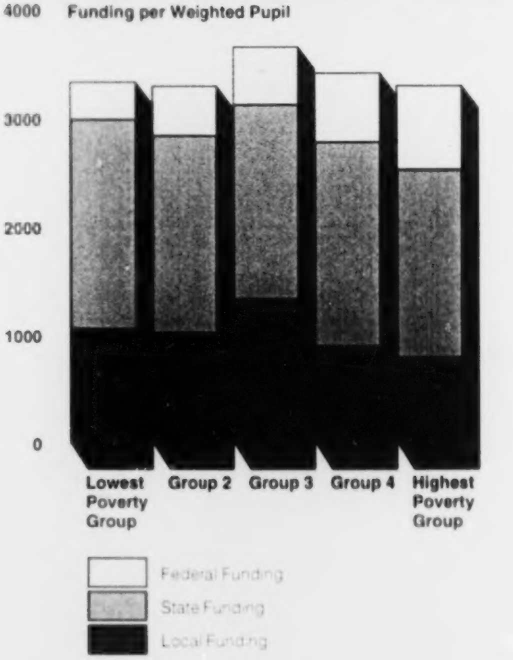

Figure XXIX.1: Funding Distribution (in Dollars) in Mississippi, School Year 1991-92

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Mississippi education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Mississippi's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Mississippi appears in appendixes III and IV.

State Profile: Missouri

Table XXX.1: Summary Data, School Year 1991-92: Missouri

Average total funding per weighted pupil	$4,272
Sources of total funding	
Local share	52%
State share	41%
Federal share	7%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$5.97
Federal funding weight	$5.18
Total funding weight (effect of combined state and federal funding)	$7.41
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	137%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	44%
State + local funds	-7%
Federal + state + local funds	-14%

As table XXX.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Missouri averaged $4,272. The localities provided about 52 percent of total funding for education; the state provided about 41 percent; federal funds provided about 7 percent.

Missouri's state funding had the effect of providing districts with an additional $5.97 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $7.41 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Missouri's targeting efforts and state share of total funding more than eliminated the 44-percent local funding gap between the lowest and highest poverty groups. Consequently, the lowest poverty group had about 7 percent less funding than the highest poverty group. The lowest poverty group had about 14 percent less funding after the addition of federal funding. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

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The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Missouri, districts with the highest proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 137 percent of that made in districts in the lowest poverty group.[93]

To put the state's school finance system in perspective, table XXX.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXX.3 presents data on how local, state, and federal funds were distributed among the five groups of Missouri districts. (Fig. XXX.1 provides table information in graphic form.)

Table XXX.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	538	53	76	99	169	141
Total pupils	822,099	165,965	158,319	172,972	161,617	163,226
Poverty rate (percent)	17.0	4.2	9.0	15.0	21.0	36.0
Tax effort[a]	$27.24	$26.03	$24.78	$26.52	$24.10	$35.56

[a] Local funding raised for every $1,000 of district income

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[93] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Table XXX.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

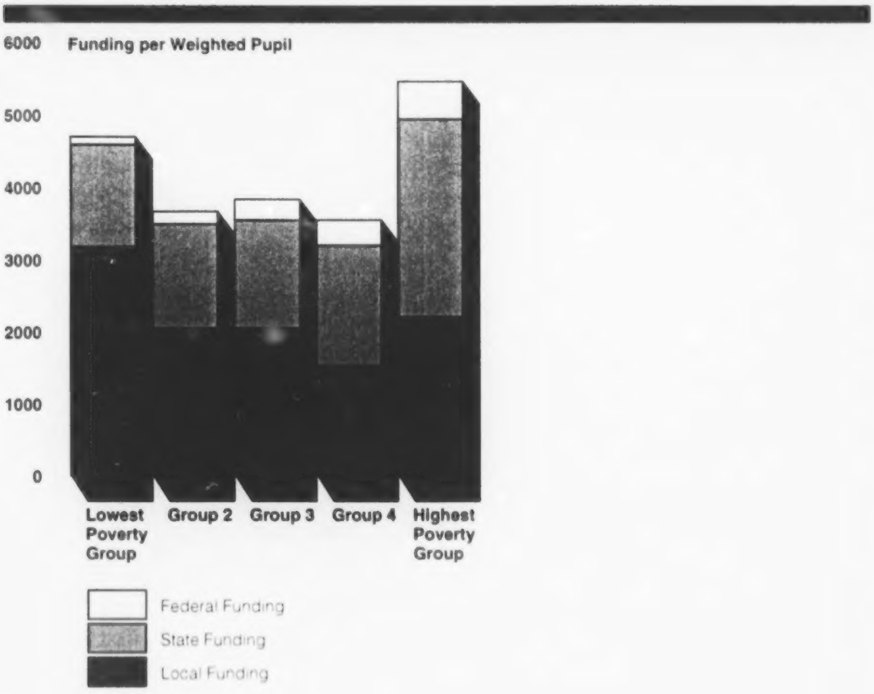
		Mean funding per weighted pupil						
Funding source	State	Lowest poverty Group 1	Group 2	Group 3	Group 4	Highest poverty Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$2,208	$3,174	$2,041	$2,046	$1,530	$2,202	1.44	44
State	1,773	1,414	1,449	1,498	1,667	2,735	.52	[b]
Subtotal	**$3,981**	**$4,588**	**$3,490**	**$3,544**	**$3,197**	**$4,937**	**.93**	**–7**
Federal[a]	291	104	172	287	349	517	.20	[b]
Total	**$4,272**	**$4,692**	**$3,662**	**$3,831**	**$3,546**	**$5,453**	**.86**	**–14**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

Figure XXX.1: Funding Distribution (in Dollars) **in Missouri, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Missouri education official reported that the state had targeted much more funding to high-poverty districts since school year 1991-92. More information on changes in Missouri's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Missouri appears in appendixes III and IV.

State Profile: Montana

Table XXXI.1: Summary Data, School Year 1991-92: Montana

Average total funding per weighted pupil	$5,260
Sources of total funding	
Local share	54%
State share	41%
Federal share	5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.00
Federal funding weight	$4.52
Total funding weight (effect of combined state and federal funding)	$0.54
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	155%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	13%
State + local funds	13%
Federal + state + local funds	8%

As table XXXI.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Montana averaged $5,260. The localities provided about 54 percent of total funding for education; the state provided about 41 percent; federal funds provided about 5 percent.

Montana's state funding had the effect of providing districts with no additional funding per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.54 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

State funding in Montana had no effect on the 13-percent local funding gap between the lowest and highest poverty groups. The addition of federal funding reduced the funding gap between these groups to about 8 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Montana, districts with the highest proportions of poor students made more effort to raise local revenue than

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districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 155 percent of that made in districts in the lowest poverty group.[94]

To put the state's school finance system in perspective, table XXXI.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXXI.3 presents data on how local, state, and federal funds were distributed among the five groups of Montana districts. (Fig. XXXI.1 provides table information in graphic form.)

Table XXXI.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	480	150	40	50	43	197
Total pupils	154,488	31,193	30,709	29,220	32,626	30,740
Poverty rate (percent)	19.5	10.1	15.2	17.2	19.7	35.4
Tax effort[a]	$24.70	$26.73	$18.09	$25.07	$19.18	$41.41

[a] Local funding raised for every $1,000 of district income.

Table XXXI.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil						Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$2,842	$3,796	$2,784	$2,251	$2,320	$3,368	1.13	13
State	2,137	2,346	2,229	2,119	2,062	2,079	1.13	[b]
Subtotal	**$4,980**	**$6,142**	**$5,012**	**$4,370**	**$4,382**	**$5,448**	**1.13**	**13**
Federal[a]	281	240	226	245	237	438	.55	[b]
Total	**$5,260**	**$6,383**	**$5,238**	**$4,615**	**$4,619**	**$5,886**	**1.08**	**8**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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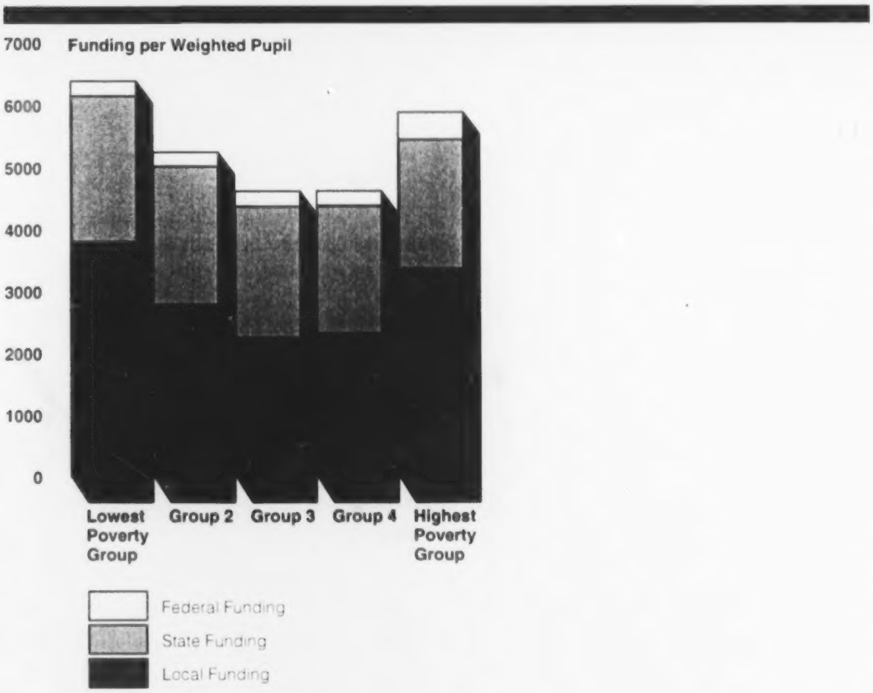
[94] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXXI.1: Funding Distribution (in Dollars) **in Montana, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Montana education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Montana's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Montana appears in appendixes III and IV.

State Profile: Nebraska

Table XXXII.1: Summary Data, School Year 1991-92: Nebraska

Average total funding per weighted pupil	$5,448
Sources of total funding	
Local share	63.2%
State share	32.5%
Federal share	4.3%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.39
Federal funding weight	$3.49
Total funding weight (effect of combined state and federal funding)	$0.70
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	99%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	8%
State + local funds	7%
Federal + state + local funds	3%

As table XXXII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Nebraska averaged $5,448. The localities provided about 63 percent of total funding for education; the state provided about 33 percent; federal funds provided about 4 percent.

Nebraska's state funding had the effect of providing districts with an additional $.39 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.70 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Nebraska's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 8 percent to about 7 percent. The addition of federal funding further reduced the funding gap between these groups to about 3 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Nebraska, districts with the highest proportions of poor students made slightly less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 99 percent of that made in districts in the lowest poverty group.[95]

To put the state's school finance system in perspective, table XXXII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXXII.3 presents data on how local, state, and federal funds were distributed among the five groups of Nebraska districts. (Fig. XXXII.1 provides table information in graphic form.)

Table XXXII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	678	233	89	60	103	193
Total pupils	276,085	57,006	44,605	66,887	39,698	67,889
Poverty rate (percent)	12.9	3.8	8.8	11.4	15.8	22.8
Tax effort[a]	$36.22	$34.16	$40.45	$35.41	$41.99	$33.85

[a] Local funding raised for every $1,000 of district income.

Table XXXII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil						Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$3,445	$3,564	$3,897	$3,475	$3,444	$3,303	1.08	8
State	1,768	1,868	1,645	1,676	1,993	1,757	1.06	[b]
Subtotal	**$5,214**	**$5,432**	**$5,541**	**$5,151**	**$5,437**	**$5,060**	**1.07**	**7**
Federal[a]	234	129	190	230	233	344	.38	[b]
Total	**$5,448**	**$5,561**	**$5,731**	**$5,381**	**$5,670**	**$5,404**	**1.03**	**3**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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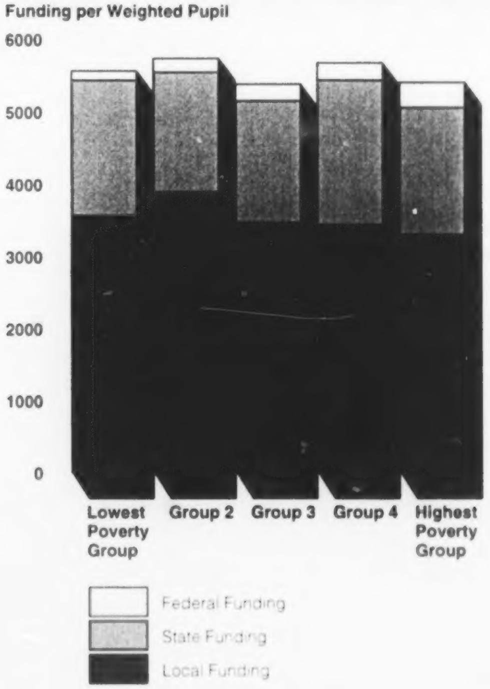
[95] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXXII.1: Funding Distribution (in Dollars) **in Nebraska, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Nebraska education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Nebraska's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Nebraska appears in appendixes III and IV.

State Profile: Nevada

Table XXXIII.1: Summary Data, School Year 1991-92: Nevada

Average total funding per weighted pupil	$3,810
Sources of total funding	
Local share	41%
State share	54%
Federal share	5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.00
Federal funding weight	$2.85
Total funding weight (effect of combined state and federal funding)	$0.00
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	104%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	43%
State + local funds	-13%
Federal + state + local funds	-14%

As table XXXIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Nevada averaged $3,810. The localities provided about 41 percent of total funding for education; the state provided about 54 percent; federal funds provided about 5 percent.

Nevada's state funding had the effect of providing districts with no additional funding per poor student for every $1 provided to each student. The addition of federal funding had no effect on the amount of additional funding per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

State funding in Nevada more than eliminated the 43-percent local funding gap between the lowest and highest poverty groups. Consequently, the lowest poverty group had about 13 percent less funding than the highest poverty group. The lowest poverty group had about 14 percent less funding after the addition of federal funding. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Nevada, districts with the highest proportions

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of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 104 percent of that made in districts in the lowest poverty group.[96]

To put the state's school finance system in perspective, table XXXIII.2 presents demographic data for school year 1991-92 for four groups of districts with increasing proportions of poor students. Table XXXIII.3 presents data on how local, state, and federal funds were distributed among the four groups of Nevada districts. (Fig. XXXIII.1 provides table information in graphic form.)

Table XXXIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty			Highest poverty
	State	Group 1	Group 2	Group 3	Group 4
Total districts	17	8	5	1	3
Total pupils	211,810	27,741	49,262	129,233	5,574
Poverty rate (percent)	13.3	9.9	11.9	14.4	16.0
Tax effort[a]	$18.14	$24.53	$16.21	$17.62	$25.49

[a]Local funding raised for every $1,000 of district income.

Table XXXIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil					
		Lowest poverty			Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 1 funding compared with group 4 funding	Percent difference (group 1 compared with group 4)
Local[a]	$1,566	$1,768	$1,620	$1,518	$1,234	1.43	43
State	2,049	2,654	1,773	1,935	3,856	.69	[b]
Subtotal	**$3,615**	**$4,422**	**$3,393**	**$3,452**	**$5,090**	**.87**	**–13**
Federal[a]	195	188	182	199	269	.70	[b]
Total	**$3,810**	**$4,610**	**$3,574**	**$3,651**	**$5,359**	**.86**	**–14**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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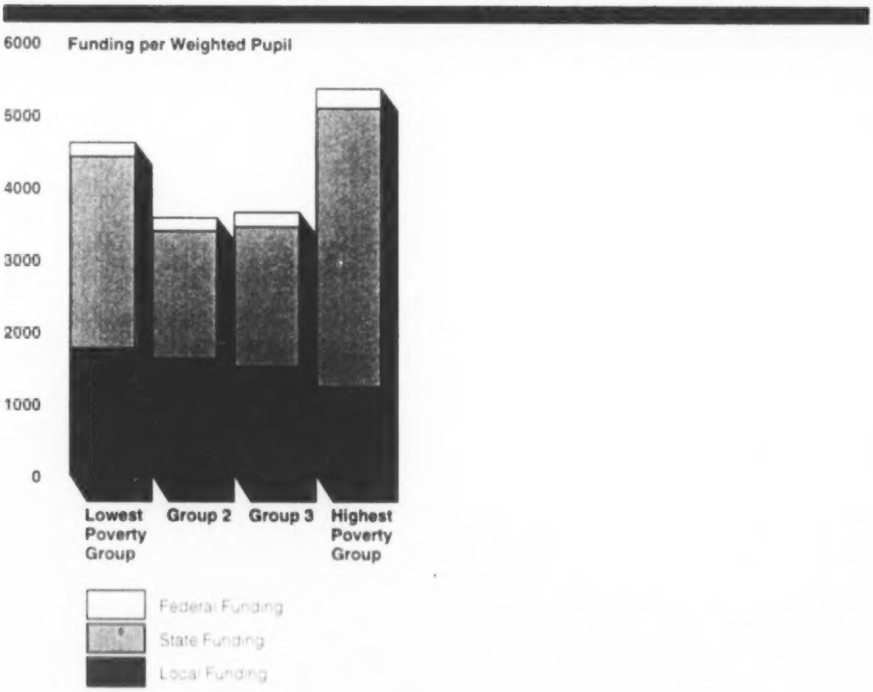
[96] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXXIII.1: Funding Distribution (in Dollars) in Nevada, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Nevada education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Nevada's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Nevada appears in appendixes III and IV.

Appendix XXXIV

State Profile: New Hampshire

Table XXXIV.1: Summary Data, School Year 1991-92: New Hampshire

Average total funding per weighted pupil	$6,028
Sources of total funding	
Local share	89%
State share	8%
Federal share	3%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$6.69
Federal funding weight	$4.69
Total funding weight (effect of combined state and federal funding)	$5.50
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	101%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	49%
State + local funds	35%
Federal + state + local funds	32%

As table XXXIV.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in New Hampshire averaged $6,028. The localities provided about 89 percent of total funding for education; the state provided about 8 percent; federal funds provided about 3 percent.

New Hampshire's state funding had the effect of providing districts with an additional $6.69 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $5.50 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

New Hampshire's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 49 percent to about 35 percent. The addition of federal funding further reduced the funding gap between these groups to about 32 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In New Hampshire, districts with the highest proportions of poor students made a slightly greater effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 101 percent of that made in districts in the lowest poverty group.[97]

To put the state's school finance system in perspective, table XXXIV.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXXIV.3 presents data on how local, state, and federal funds were distributed among the five groups of New Hampshire districts. (Fig. XXXIV.1 provides table information in graphic form.)

Table XXXIV.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	158	39	32	29	27	31
Total pupils	173,044	36,760	32,679	33,586	36,105	33,914
Poverty rate (percent)	7.6	2.6	4.6	7.5	9.6	13.8
Tax effort[a]	$50.23	$48.75	$50.63	$56.05	$47.66	$49.30

[a]Local funding raised for every $1,000 of district income.

Table XXXIV.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil						Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$5,364	$6,234	$5,581	$5,549	$5,360	$4,190	1.49	49
State	486	417	409	540	351	740	.56	[b]
Subtotal	**$5,850**	**$6,651**	**$5,991**	**$6,088**	**$5,711**	**$4,930**	**1.35**	**35**
Federal[a]	178	105	138	238	215	198	.53	[b]
Total	**$6,028**	**$6,756**	**$6,129**	**$6,327**	**$5,926**	**$5,128**	**1.32**	**32**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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[97] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

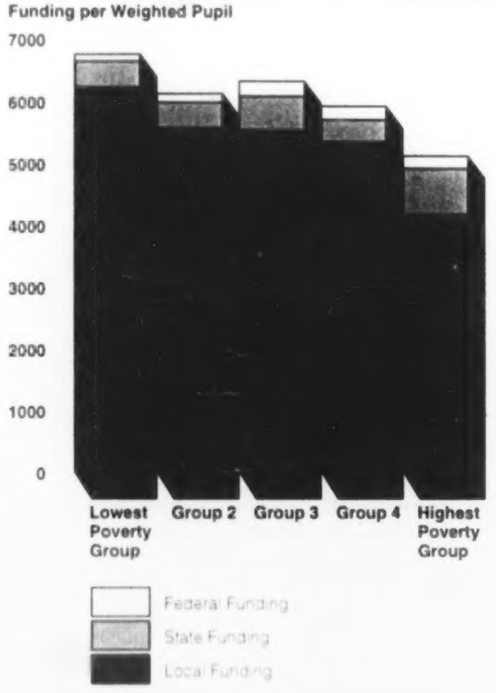

Figure XXXIV.1: Funding Distribution (in Dollars) in New Hampshire, School Year 1991-92

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A New Hampshire education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in New Hampshire's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about New Hampshire appears in appendixes III and IV.

State Profile: New Jersey

Table XXXV.1: Summary Data, School Year 1991-92: New Jersey

Average total funding per weighted pupil	$9,605
Sources of total funding	
Local share	55%
State share	41%
Federal share	4%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$3.45
Federal funding weight	$6.50
Total funding weight (effect of combined state and federal funding)	$4.03
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	116%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	194%
State + local funds	22%
Federal + state + local funds	13%

As table XXXV.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in New Jersey averaged $9,605. The localities provided about 55 percent of total funding for education; the state provided about 41 percent; federal funds provided about 4 percent.

New Jersey's state funding had the effect of providing districts with an additional $3.45 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $4.03 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

New Jersey's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 194 percent to about 22 percent. The addition of federal funding further reduced the funding gap between these groups to about 13 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In New Jersey, districts with the highest

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proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 116 percent of that made in districts in the lowest poverty group.[98]

To put the state's school finance system in perspective, table XXXV.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXXV.3 presents data on how local, state, and federal funds were distributed among the five groups of New Jersey districts. (Fig. XXXV.1 provides table information in graphic form.)

Table XXXV.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	550	153	114	121	136	26
Total pupils	1,085,033	229,414	204,572	221,959	214,112	214,976
Poverty rate (percent)	11.3	1.9	3.6	5.9	12.8	32.6
Tax effort[a]	$32.84	$33.08	$33.74	$30.84	$31.07	$38.34

[a] Local funding raised for every $1,000 of district income.

Table XXXV.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$5,269	$7,441	$6,668	$5,733	$4,392	$2,532	2.94	194
State	3,985	2,759	3,242	3,684	4,236	5,850	47	[b]
Subtotal	**$9,253**	**$10,200**	**$9,911**	**$9,417**	**$8,628**	**$8,382**	**1.22**	**22**
Federal[a]	351	147	178	207	381	780	.19	[b]
Total	**$9,605**	**$10,346**	**$10,089**	**$9,624**	**$9,009**	**$9,162**	**1.13**	**13**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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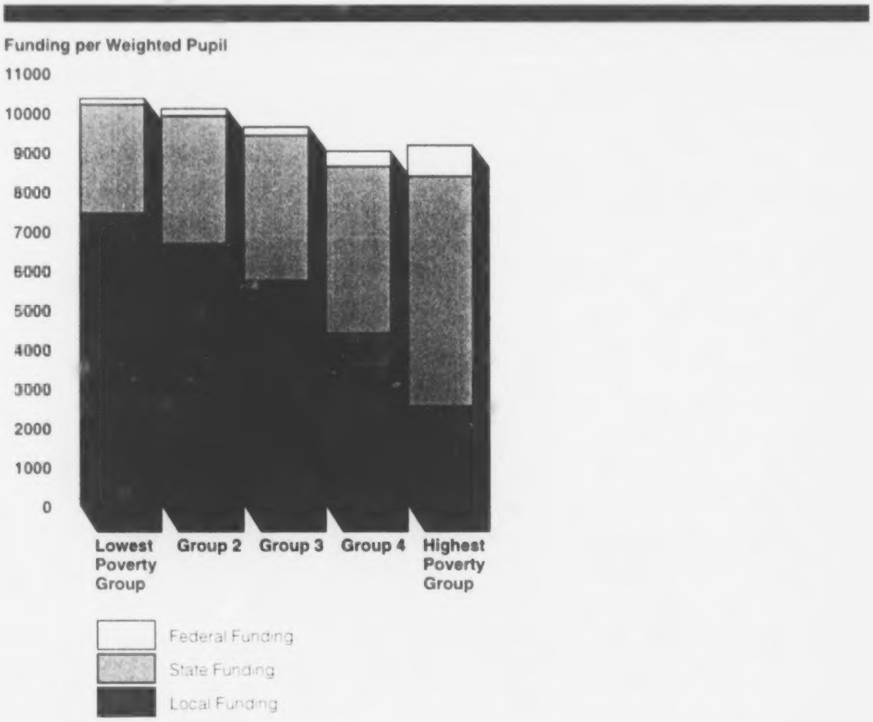
[98] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXXV.1: Funding Distribution (in Dollars) **in New Jersey, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A New Jersey education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in New Jersey's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about New Jersey appears in appendixes III and IV.

State Profile: New Mexico

Table XXXVI.1: Summary Data, School Year 1991-92: New Mexico

Average total funding per weighted pupil	$4,353
Sources of total funding	
Local share	15%
State share	75%
Federal share	10%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.00
Federal funding weight	$3.30
Total funding weight (effect of combined state and federal funding)	$0.28
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	333%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	1%
State + local funds	9%
Federal + state + local funds	2%

As table XXXVI.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in New Mexico averaged $4,353. The localities provided about 15 percent of total funding for education; the state provided about 75 percent; federal funds provided about 10 percent.

New Mexico's state funding had the effect of providing districts no additional funding per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.28 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

State funding in New Mexico increased the local funding gap between the lowest and highest poverty groups from about 1 percent to about 9 percent. The addition of federal funding reduced the funding gap between these groups to about 2 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In New Mexico, districts with the highest proportions of poor students made more effort to raise local revenue than

districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 333 percent of that made in districts in the lowest poverty group.[99]

To put the state's school finance system in perspective, table XXXVI.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXXVI.3 presents data on how local, state, and federal funds were distributed among the five groups of New Mexico districts. (Fig. XXXVI.1 provides table information in graphic form.)

Table XXXVI.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	88	9	4	25	25	25
Total pupils	308,772	30,384	91,531	72,230	55,784	58,843
Poverty rate (percent)	27.5	14.7	19.0	25.7	30.9	46.6
Tax effort[a]	$12.21	$10.06	$5.93	$13.72	$15.88	$33.46

[a] Local funding raised for every $1,000 of district income.

Table XXXVI.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil							
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$674	$887	$451	$652	$719	$880	1.01	1
State	3,254	3,329	3,422	3,244	3,366	2,975	1.12	[b]
Subtotal	**$3,928**	**$4,215**	**$3,873**	**$3,895**	**$4,085**	**$3,855**	**1.09**	**9**
Federal[a]	425	471	278	331	436	723	.65	[b]
Total	**$4,353**	**$4,686**	**$4,151**	**$4,226**	**$4,520**	**$4,578**	**1.02**	**2**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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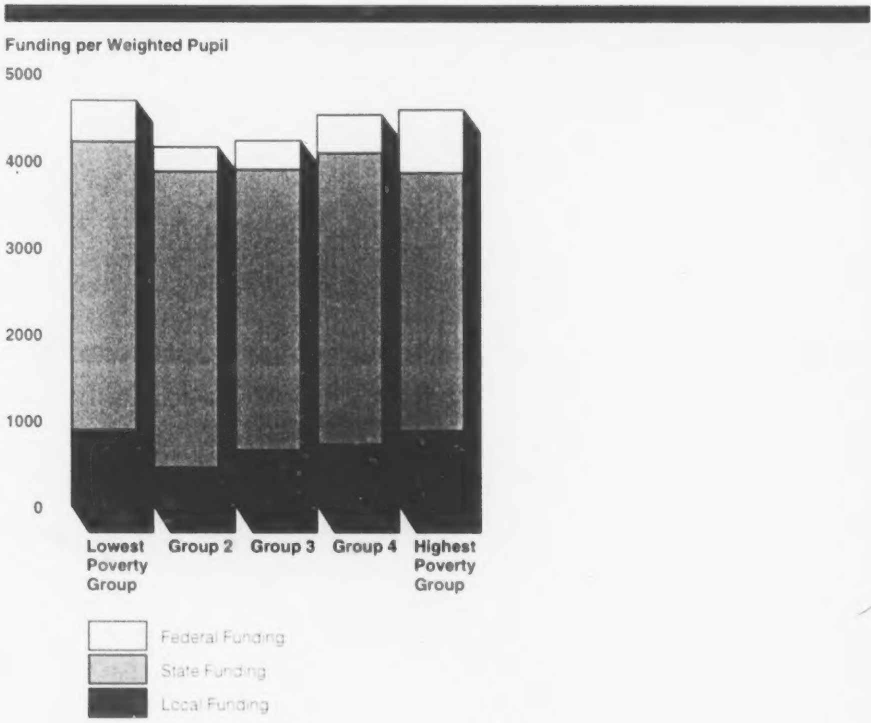
[99] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXXVI.1: Funding Distribution (in Dollars) in New Mexico, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A New Mexico education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in New Mexico's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about New Mexico appears in appendixes III and IV.

State Profile: New York

Table XXXVII.1: Summary Data, School Year 1991-92: New York

Average total funding per weighted pupil	$8,233
Sources of total funding	
Local share	54.3%
State share	40.3%
Federal share	5.3%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.00
Federal funding weight	$4.44
Total funding weight (effect of combined state and federal funding)	$0.00
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	72%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	213%
State + local funds	44%
Federal + state + local funds	34%

As table XXXVII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in New York averaged $8,233. The localities provided about 54 percent of total funding for education; the state provided about 40 percent; federal funds provided about 5 percent.

New York's state funding had the effect of providing districts with no additional funding per poor student for every $1 provided to each student. The addition of federal funding had no effect on the amount of additional funding per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

State funding in New York reduced the local funding gap between the lowest and highest poverty groups from about 213 percent to about 44 percent. The addition of federal funding further reduced the funding gap between these groups to about 34 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In New York, districts with the highest proportions of poor students made less effort to raise local revenue than

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districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 72 percent of that made in districts in the lowest poverty group.[100]

To put the state's school finance system in perspective, table XXXVII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXXVII.3 presents data on how local, state, and federal funds were distributed among the five groups of New York districts. (Fig. XXXVII.1 provides table information in graphic form.)

Table XXXVII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	693	179	219	284	1	10
Total pupils	2,608,699	530,376	509,119	488,412	962,269	118,523
Poverty rate (percent)	18.5	3.2	7.9	18.1	30.5	36.2
Tax effort[a]	$38.79	$47.58	$48.69	$44.33	$26.94	$34.35

[a]Local funding raised for every $1,000 of district income.

Table XXXVII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	**State**	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**	**Group 1 funding compared with group 5 funding**	**Percent difference (group 1 compared with group 5)**
Local[a]	$4,473	$8,116	$5,757	$3,876	$2,784	$2,597	3.13	213
State	3,320	2,779	3,872	4,841	2,595	4,986	.56	[b]
Subtotal	**$7,794**	**$10,895**	**$9,629**	**$8,717**	**$5,380**	**$7,583**	**1.44**	**44**
Federal[a]	439	150	237	410	616	653	.23	[b]
Total	**$8,233**	**$11,045**	**$9,866**	**$9,127**	**$5,996**	**$8,235**	**1.34**	**34**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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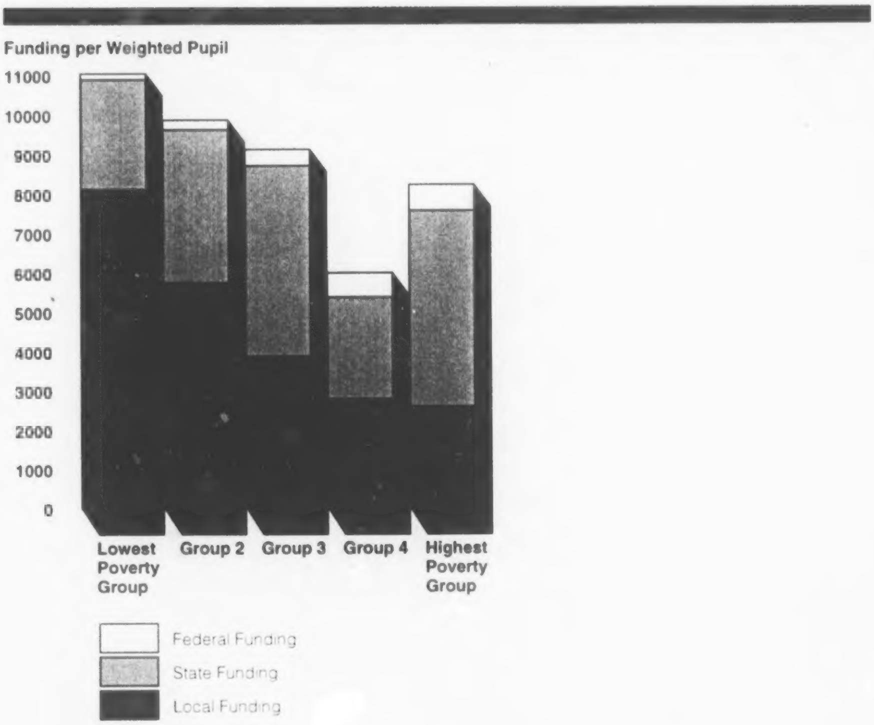
[100]The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XXXVII.1: Funding Distribution (in Dollars) **in New York, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A New York education official reported that the state had targeted much more funding to high-poverty districts since school year 1991-92. More information on changes in New York's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about New York appears in appendixes III and IV.

Appendix XXXVIII

State Profile: North Carolina

Table XXXVIII.1: Summary Data, School Year 1991-92: North Carolina

Average total funding per weighted pupil	$4,780
Sources of total funding	
Local share	30%
State share	63%
Federal share	7%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.53
Federal funding weight	$4.97
Total funding weight (effect of combined state and federal funding)	$1.05
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	93%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	81%
State + local funds	16%
Federal + state + local funds	7%

As table XXXVIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in North Carolina averaged $4,780. The localities provided about 30 percent of total funding for education; the state provided about 63 percent; federal funds provided about 7 percent.

North Carolina's state funding had the effect of providing districts with an additional $.53 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.05 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

North Carolina's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 81 percent to about 16 percent. The addition of federal funding further reduced the funding gap between these groups to about 7 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In North Carolina, districts with the highest

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proportions of poor students made less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 93 percent of that made in districts in the lowest poverty group.[101]

To put the state's school finance system in perspective, table XXXVIII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXXVIII.3 presents data on how local, state, and federal funds were distributed among the five groups of North Carolina districts. (Fig. XXXVIII.1 provides table information in graphic form.)

Table XXXVIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	132	16	17	25	29	45
Total pupils	1,082,899	219,473	211,671	226,692	214,098	210,965
Poverty rate (percent)	17.1	8.9	12.6	15.0	20.1	29.2
Tax effort[a]	$18.67	$21.57	$16.19	$18.23	$17.21	$20.04

[a]Local funding raised for every $1,000 of district income.

Table XXXVIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil							
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$1,438	$1,982	$1,431	$1,540	$1,103	$1,098	1.81	81
State	2,995	2,858	3,012	3,018	3,056	3,067	.93	[b]
Subtotal	**$4,433**	**$4,840**	**$4,442**	**$4,558**	**$4,159**	**$4,165**	**1.16**	**16**
Federal[a]	347	205	289	314	401	537	.38	[b]
Total	**$4,780**	**$5,045**	**$4,731**	**$4,873**	**$4,560**	**$4,702**	**1.07**	**7**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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[101] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

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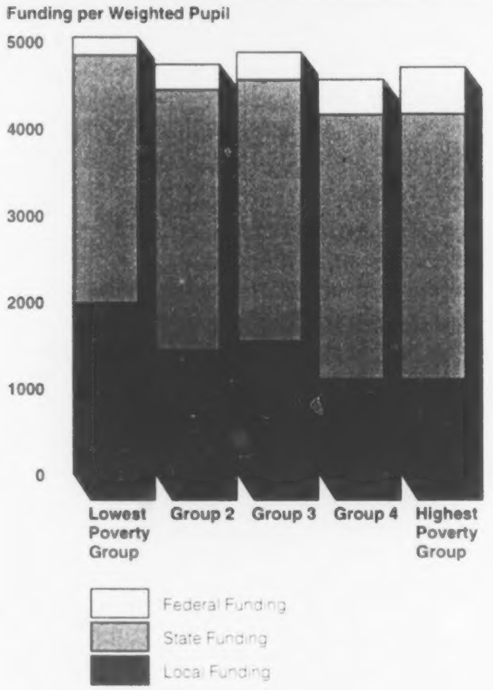
Figure XXXVIII.1: Funding Distribution (in Dollars) in North Carolina, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A North Carolina education official reported that the state targeted more funding to high-poverty districts as of school year 1996-97. More information on changes in North Carolina's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about North Carolina appears in appendixes III and IV.

State Profile: North Dakota

Table XXXIX.1: Summary Data, School Year 1991-92: North Dakota

Average total funding per weighted pupil	$4,467
Sources of total funding	
Local share	48%
State share	44%
Federal share	8%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.78
Federal funding weight	$8.39
Total funding weight (effect of combined state and federal funding)	$2.53
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	153%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	2%
State + local funds	-5%
Federal + state + local funds	-12%

As table XXXIX.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in North Dakota averaged $4,467. The localities provided about 48 percent of total funding for education; the state provided about 44 percent; federal funds provided about 8 percent.

North Dakota's state funding had the effect of providing districts with an additional $.78 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $2.53 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

North Dakota's targeting efforts and state share of total funding more than eliminated the 2-percent local funding gap between the lowest and highest poverty groups. Consequently, the lowest poverty group had about 5 percent less funding than the highest poverty group. The lowest poverty group had about 12 percent less funding after the addition of federal funding. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In North Dakota, districts with the highest proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 153 percent of that made in districts in the lowest poverty group.[102]

To put the state's school finance system in perspective, table XXXIX.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XXXIX.3 presents data on how local, state, and federal funds were distributed among the five groups of North Dakota districts. (Fig. XXXIX.1 provides table information in graphic form.)

Table XXXIX.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	251	55	19	33	30	114
Total pupils	117,927	27,977	20,104	22,680	23,976	23,190
Poverty rate (percent)	16.4	8.5	11.3	13.5	17.5	31.9
Tax effort[a]	$36.99	$35.02	$30.57	$35.25	$34.86	$53.48

[a] Local funding raised for every $1,000 of district income.

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[102] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Table XXXIX.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

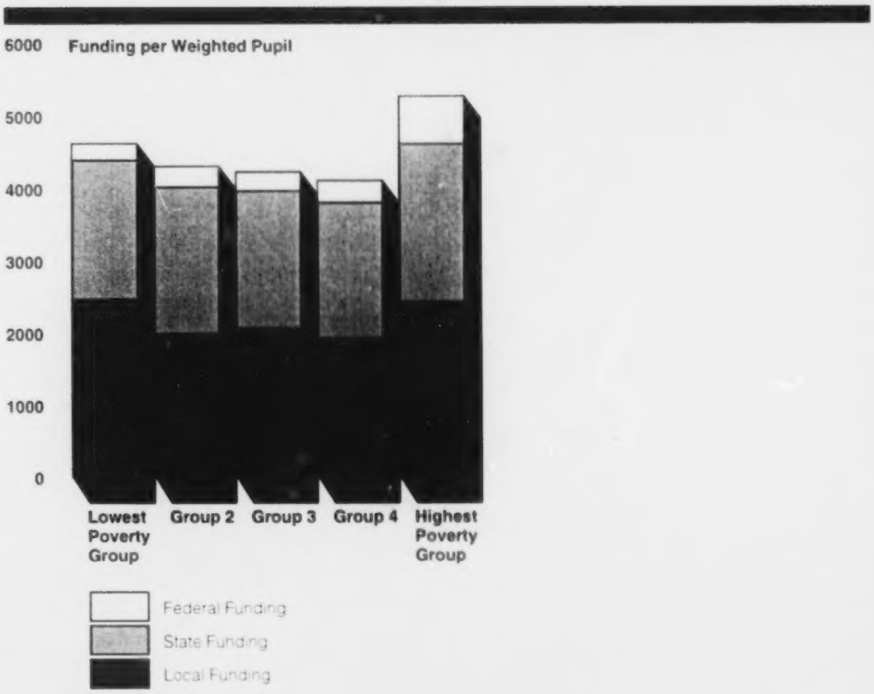
		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$2,157	$2,474	$1,991	$2,064	$1,925	$2,428	1.02	2
State	1,957	1,991	2,030	1,903	1,879	2,187	.88	[b]
Subtotal	**$4,115**	**$4,392**	**$4,020**	**$3,967**	**$3,804**	**$4,615**	**.95**	**–5**
Federal[a]	352	230	284	261	304	654	.35	[b]
Total	**$4,467**	**$4,622**	**$4,305**	**$4,228**	**$4,108**	**$5,269**	**.88**	**–12**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

Figure XXXIX.1: Funding Distribution (in Dollars) in North Dakota, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A North Dakota education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in North Dakota's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about North Dakota appears in appendixes III and IV.

State Profile: Ohio

Table XL.1: Summary Data, School Year 1991-92: Ohio

Average total funding per weighted pupil	$4,984
Sources of total funding	
Local share	55%
State share	40%
Federal share	5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$1.48
Federal funding weight	$5.66
Total funding weight (effect of combined state and federal funding)	$2.19
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	98%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	96%
State + local funds	27%
Federal + state + local funds	15%

As table XL.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Ohio averaged $4,984. The localities provided about 55 percent of total funding for education; the state provided about 40 percent; federal funds provided about 5 percent.

Ohio's state funding had the effect of providing districts with an additional $1.48 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $2.19 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Ohio's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 96 percent to about 27 percent. The addition of federal funding further reduced the funding gap between these groups to about 15 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Ohio, districts with the highest proportions of poor students made less effort to raise local revenue than districts with the

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lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 98 percent of that made in districts in the lowest poverty group.[103]

To put the state's school finance system in perspective, table XL.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XL.3 presents data on how local, state, and federal funds were distributed among the five groups of Ohio districts. (Fig. XL.1 provides table information in graphic form.)

Table XL.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	607	116	158	168	117	48
Total pupils	1,774,710	355,898	353,986	353,515	380,108	331,203
Poverty rate (percent)	16.9	3.4	7.8	13.3	24.5	36.2
Tax effort[a]	$33.60	$33.84	$33.46	$33.56	$33.83	$33.14

[a] Local funding raised for every $1,000 of district income.

Table XL.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	**State**	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**	**Group 1 funding compared with group 5 funding**	**Percent difference (group 1 compared with group 5)**
Local[a]	$2,740	$3,968	$3,011	$2,454	$2,294	$2,025	1.96	96
State	1,971	1,626	1,830	1,959	2,043	2,386	.68	[b]
Subtotal	**$4,711**	**$5,594**	**$4,840**	**$4,413**	**$4,336**	**$4,411**	**1.27**	**27**
Federal[a]	273	103	156	198	318	551	.19	[b]
Total	**$4,984**	**$5,697**	**$4,996**	**$4,610**	**$4,655**	**$4,962**	**1.15**	**15**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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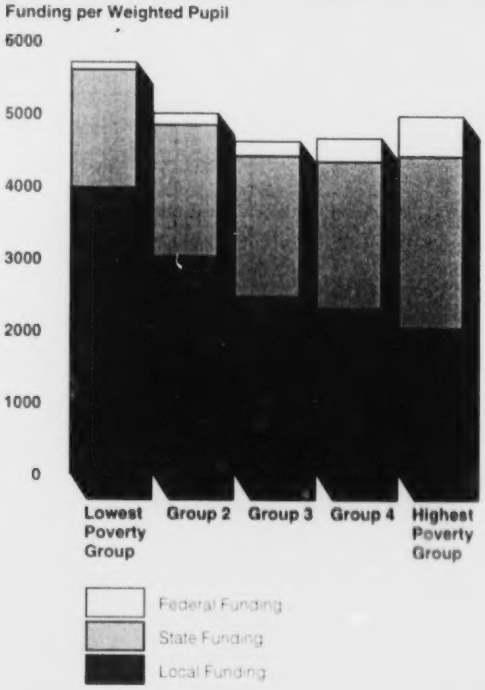
[103] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XL.1: Funding Distribution (in Dollars) **in Ohio, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Ohio education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Ohio's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Ohio appears in appendixes III and IV.

State Profile: Oklahoma

Table XLI.1: Summary Data, School Year 1991-92: Oklahoma

Average total funding per weighted pupil	$3,929
Sources of total funding	
Local share	27.7%
State share	65.5%
Federal share	6.8%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.76
Federal funding weight	$3.96
Total funding weight (effect of combined state and federal funding)	$1.09
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	112%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	19%
State + local funds	-2%
Federal + state + local funds	-8%

As table XLI.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Oklahoma averaged $3,929. The localities provided about 28 percent of total funding for education; the state provided about 66 percent; federal funds provided about 7 percent.

Oklahoma's state funding had the effect of providing districts with an additional $.76 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.09 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Oklahoma's targeting efforts and state share of total funding more than eliminated the 19-percent local funding gap between the lowest and highest poverty groups. Consequently, the lowest poverty group had about 2 percent less funding than the highest poverty group. The lowest poverty group had about 8 percent less funding after the addition of federal funding. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Oklahoma, districts with the highest proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 112 percent of that made in districts in the lowest poverty group.[104]

To put the state's school finance system in perspective, table XLI.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XLI.3 presents data on how local, state, and federal funds were distributed among the five groups of Oklahoma districts. (Fig. XLI.1 provides table information in graphic form.)

Table XLI.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	565	78	89	139	100	159
Total pupils	583,670	108,745	126,703	115,913	115,169	117,140
Poverty rate (percent)	20.9	7.6	13.4	20.7	26.8	35.8
Tax effort[a]	$16.89	$15.75	$15.55	$19.13	$17.12	$17.58

[a] Local funding raised for every $1,000 of district income

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[104] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Table XLI.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

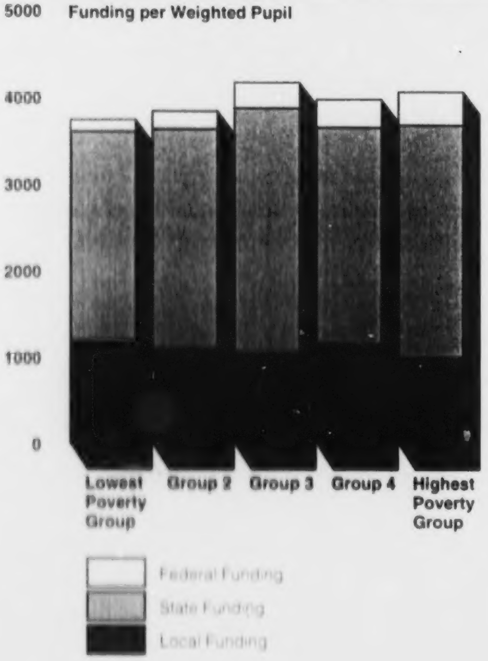
		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$1,087	$1,189	$1,092	$1,048	$1,158	$1,001	1.19	19
State	2,575	2,415	2,543	2,827	2,496	2,681	.90	[b]
Subtotal	**$3,662**	**$3,604**	**$3,635**	**$3,875**	**$3,653**	**$3,682**	**.98**	**–2**
Federal[a]	267	134	202	293	320	380	.35	[b]
Total	**$3,929**	**$3,738**	**$3,837**	**$4,168**	**$3,973**	**$4,062**	**.92**	**–8**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

Figure XLI.1: Funding Distribution (in Dollars) **in Oklahoma, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Oklahoma education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Oklahoma's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Oklahoma appears in appendixes III and IV.

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State Profile: Oregon

Table XLII.1: Summary Data, School Year 1991-92: Oregon

Average total funding per weighted pupil	$5,411
Sources of total funding	
Local share	65%
State share	29%
Federal share	6%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$1.57
Federal funding weight	$4.29
Total funding weight (effect of combined state and federal funding)	$2.32
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	119%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	43%
State + local funds	17%
Federal + state + local funds	12%

As table XLII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Oregon averaged $5,411. The localities provided about 65 percent of total funding for education; the state provided about 29 percent; federal funds provided about 6 percent.

Oregon's state funding had the effect of providing districts with an additional $1.57 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $2.32 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Oregon's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 43 percent to about 17 percent. The addition of federal funding further reduced the funding gap between these groups to about 12 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Oregon, districts with the highest proportions

of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 119 percent of that made in districts in the lowest poverty group.[105]

To put the state's school finance system in perspective, table XLII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XLII.3 presents data on how local, state, and federal funds were distributed among the five groups of Oregon districts. (Fig. XLII.1 provides table information in graphic form.)

Table XLII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	286	81	44	39	30	92
Total pupils	497,341	91,986	101,606	105,703	109,339	88,707
Poverty rate (percent)	15.2	6.2	11.3	15.2	18.6	24.6
Tax effort[a]	$40.89	$35.64	$40.71	$40.68	$46.14	$42.36

[a] Local funding raised for every $1,000 of district income.

Table XLII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil					Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$3,509	$4,121	$3,600	$3,028	$3,928	$2,891	1.43	43
State	1,584	1,349	1,605	1,694	1,555	1,775	.76	[b]
Subtotal	**$5,093**	**$5,470**	**$5,205**	**$4,721**	**$5,483**	**$4,666**	**1.17**	**17**
Federal[a]	319	185	289	341	385	396	.47	[b]
Total	**$5,411**	**$5,654**	**$5,494**	**$5,062**	**$5,868**	**$5,062**	**1.12**	**12**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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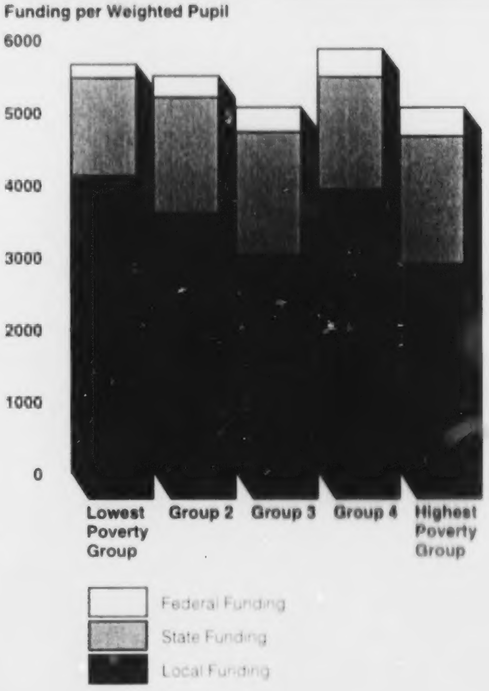
[105] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XLII.1: Funding Distribution (in Dollars) in Oregon, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

An Oregon education official reported that the state had targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Oregon's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Oregon appears in appendixes III and IV.

State Profile: Pennsylvania

Table XLIII.1: Summary Data, School Year 1991-92: Pennsylvania

Average total funding per weighted pupil	$6,709
Sources of total funding	
Local share	54.5%
State share	41.0%
Federal share	4.5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$1.31
Federal funding weight	$6.73
Total funding weight (effect of combined state and federal funding)	$1.89
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	86%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	110%
State + local funds	32%
Federal + state + local funds	20%

As table XLIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Pennsylvania averaged $6,709. The localities provided 54.5 percent of total funding for education; the state provided 41 percent; federal funds provided 4.5 percent.

Pennsylvania's state funding had the effect of providing districts with an additional $1.31 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.89 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Pennsylvania's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 110 percent to about 32 percent. The addition of federal funding further reduced the funding gap between these groups to about 20 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Pennsylvania, districts with the highest

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proportions of poor students made less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 86 percent of that made in districts in the lowest poverty group.[106]

To put the state's school finance system in perspective, table XLIII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XLIII.3 presents data on how local, state, and federal funds were distributed among the five groups of Pennsylvania districts. (Fig. XLIII.1 provides table information in graphic form.)

Table XLIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	500	83	110	143	133	31
Total pupils	1,663,264	329,090	336,866	332,820	335,181	329,307
Poverty rate (percent)	15.2	3.2	7.2	13.2	21.2	31.6
Tax effort[a]	$36.38	$38.03	$38.20	$36.90	$34.72	$32.55

[a]Local funding raised for every $1,000 of district income.

Table XLIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$3,656	$5,554	$4,331	$3,216	$2,649	$2,650	2.10	110
State	2,753	2,056	2,512	2,942	3,178	3,097	.66	[b]
Subtotal	**$6,409**	**$7,610**	**$6,843**	**$6,158**	**$5,827**	**$5,746**	**1.32**	**32**
Federal[a]	299	94	151	226	310	650	.14	[b]
Total	**$6,709**	**$7,704**	**$6,994**	**$6,384**	**$6,137**	**$6,396**	**1.20**	**20**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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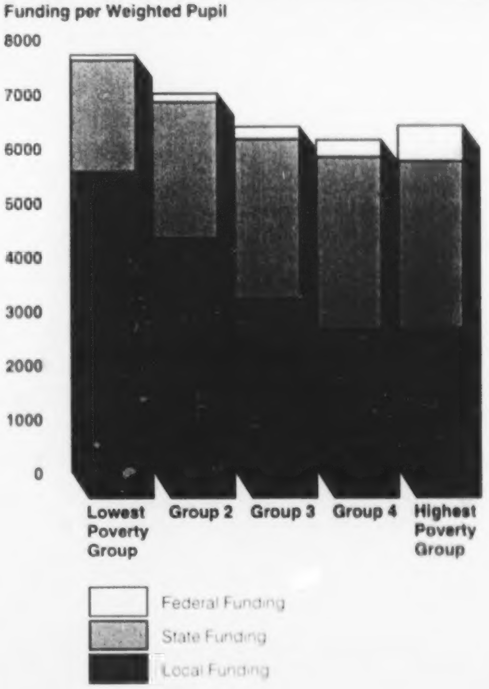
[106] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XLIII.1: Funding Distribution (in Dollars) in Pennsylvania, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Pennsylvania education official reported that the state had targeted much more funding to high-poverty districts since school year 1991-92. More information on changes in Pennsylvania's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Pennsylvania appears in appendixes III and IV.

Appendix XLIV

State Profile: Rhode Island

Table XLIV.1: Summary Data, School Year 1991-92: Rhode Island

Average total funding per weighted pupil	$6,244
Sources of total funding	
Local share	58%
State share	37%
Federal share	4%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.23
Federal funding weight	$3.92
Total funding weight (effect of combined state and federal funding)	$0.42
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	84%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	87%
State + local funds	28%
Federal + state + local funds	21%

As table XLIV.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Rhode Island averaged $6,244. The localities provided about 58 percent of total funding for education; the state provided about 37 percent; federal funds provided about 4 percent.

Rhode Island's state funding had the effect of providing districts with an additional $.23 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.42 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Rhode Island's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 87 percent to about 28 percent. The addition of federal funding further reduced the funding gap between these groups to about 21 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Rhode Island, districts with the highest

proportions of poor students made less effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 84 percent of that made in districts in the lowest poverty group.[107]

To put the state's school finance system in perspective, table XLIV.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XLIV.3 presents data on how local, state, and federal funds were distributed among the five groups of Rhode Island districts. (Fig. XLIV.1 provides table information in graphic form.)

Table XLIV.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	37	12	7	9	7	2
Total pupils	141,364	29,885	29,395	24,169	33,501	24,414
Poverty rate (percent)	12.8	4.1	5.9	8.0	14.6	33.8
Tax effort[a]	$33.69	$36.90	$36.32	$35.89	$28.20	$31.14

[a]Local funding raised for every $1,000 of district income.

Table XLIV.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$3,631	$4,423	$4,196	$4,363	$3,058	$2,365	1.87	87
State	2,333	2,096	2,503	2,029	2,281	2,710	.77	b
Subtotal	**$5,964**	**$6,519**	**$6,698**	**$6,391**	**$5,339**	**$5,076**	**1.28**	**28**
Federal[a]	279	171	218	212	330	448	.38	b
Total	**$6,244**	**$6,690**	**$6,916**	**$6,603**	**$5,668**	**$5,524**	**1.21**	**21**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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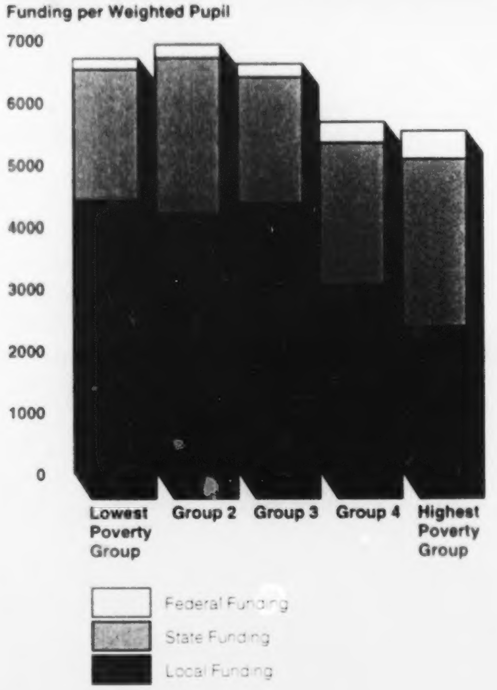
[107]The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XLIV.1: Funding Distribution (in Dollars) in Rhode Island, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Rhode Island education official reported that the state had targeted much more funding to high-poverty districts since school year 1991-92. More information on changes in Rhode Island's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Rhode Island appears in appendixes III and IV.

Appendix XLV

State Profile: South Carolina

Table XLV.1: Summary Data, School Year 1991-92: South Carolina

Average total funding per weighted pupil	$4,509
Sources of total funding	
Local share	43.7%
State share	47.8%
Federal share	8.5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.21
Federal funding weight	$4.46
Total funding weight (effect of combined state and federal funding)	$0.66
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	106%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	52%
State + local funds	17%
Federal + state + local funds	6%

As table XLV.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in South Carolina averaged $4,509. The localities provided about 44 percent of total funding for education; the state provided about 48 percent; federal funds provided about 9 percent.

South Carolina's state funding had the effect of providing districts with an additional $.21 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.66 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

South Carolina's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 52 percent to about 17 percent. The addition of federal funding further reduced the funding gap between these groups to about 6 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In South Carolina, districts with the highest

proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 106 percent of that made in districts in the lowest poverty group.[108]

To put the state's school finance system in perspective, table XLV.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XLV.3 presents data on how local, state, and federal funds were distributed among the five groups of South Carolina districts. (Fig. XLV.1 provides table information in graphic form.)

Table XLV.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	91	14	15	14	13	35
Total pupils	625,839	113,602	139,518	118,513	130,134	124,072
Poverty rate (percent)	20.8	9.8	15.0	20.4	24.8	33.7
Tax effort[a]	$29.83	$32.26	$26.53	$27.52	$30.29	$34.35

[a] Local funding raised for every $1,000 of district income.

Table XLV.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$1,972	$2,344	$1,904	$1,881	$2,213	$1,544	1.52	52
State	2,153	2,171	2,173	2,231	1,929	2,325	.93	[b]
Subtotal	**$4,125**	**$4,515**	**$4,077**	**$4,112**	**$4,142**	**$3,869**	**1.17**	**17**
Federal[a]	383	215	299	367	448	574	.37	[b]
Total	**$4,509**	**$4,730**	**$4,376**	**$4,479**	**$4,590**	**$4,443**	**1.06**	**6**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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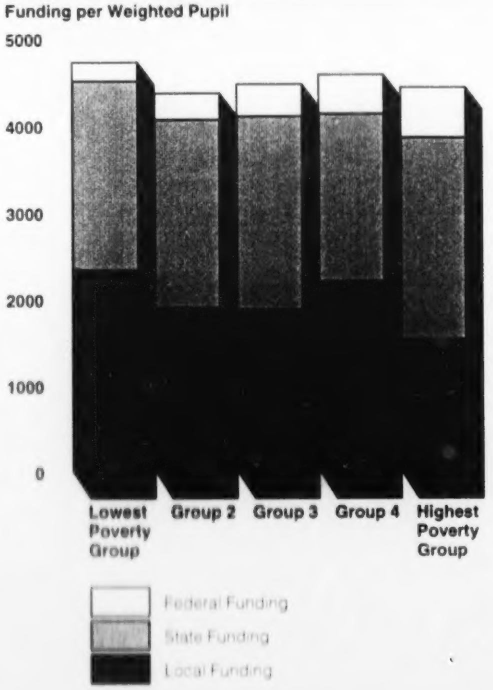
[108] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XLV.1: Funding Distribution (in Dollars) **in South Carolina, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A South Carolina education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in South Carolina's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about South Carolina appears in appendixes III and IV.

State Profile: South Dakota

Table XLVI.1: Summary Data, School Year 1991-92: South Dakota

Average total funding per weighted pupil	$4,217
Sources of total funding	
Local share	66%
State share	26%
Federal share	8%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$1.30
Federal funding weight	$4.89
Total funding weight (effect of combined state and federal funding)	$2.51
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	140%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	28%
State + local funds	9%
Federal + state + local funds	1%

As table XLVI.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in South Dakota averaged $4,217. The localities provided about 66 percent of total funding for education; the state provided about 26 percent; federal funds provided about 8 percent.

South Dakota's state funding had the effect of providing districts with an additional $1.30 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $2.51 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

South Dakota's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 28 percent to about 9 percent. The addition of federal funding further reduced the funding gap between these groups to about 1 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In South Dakota, districts with the highest

proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 140 percent of that made in districts in the lowest poverty group.[109]

To put the state's school finance system in perspective, table XLVI.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XLVI.3 presents data on how local, state, and federal funds were distributed among the five groups of South Dakota districts. (Fig. XLVI.1 provides table information in graphic form.)

Table XLVI.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	161	20	20	23	35	63
Total pupils	124,665	26,217	23,732	22,067	28,359	24,290
Poverty rate (percent)	18.2	8.2	12.2	15.0	18.0	38.2
Tax effort[a]	$48.07	$43.68	$43.75	$48.97	$48.41	$61.03

[a]Local funding raised for every $1,000 of district income.

Table XLVI.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil							
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$2,773	$3,215	$2,833	$2,602	$2,767	$2,515	1.28	28
State	1,109	1,051	995	1,097	1,059	1,396	.75	b
Subtotal	**$3,882**	**$4,266**	**$3,828**	**$3,699**	**$3,825**	**$3,911**	**1.09**	**9**
Federal[a]	335	237	243	290	317	568	.42	b
Total	**$4,217**	**$4,503**	**$4,071**	**$3,989**	**$4,142**	**$4,479**	**1.01**	**1**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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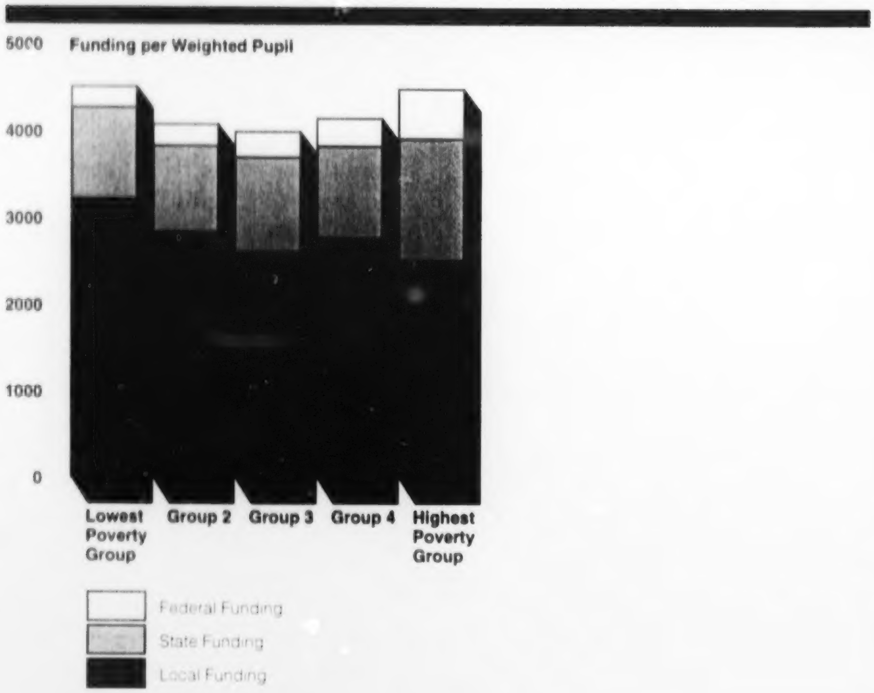
[109]The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XLVI.1: Funding Distribution (in Dollars) in South Dakota, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A South Dakota education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in South Dakota's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about South Dakota appears in appendixes III and IV.

State Profile: Tennessee

Table XLVII.1: Summary Data, School Year 1991-92: Tennessee

Average total funding per weighted pupil	$3,699
Sources of total funding	
Local share	48%
State share	42%
Federal share	10%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.31
Federal funding weight	$4.24
Total funding weight (effect of combined state and federal funding)	$1.16
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	125%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	5%
State + local funds	3%
Federal + state + local funds	-7%

As table XLVII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Tennessee averaged $3,699. The localities provided about 48 percent of total funding for education; the state provided about 42 percent; federal funds provided about 10 percent.

Tennessee's state funding had the effect of providing districts with an additional $.31 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.16 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Tennessee's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 5 percent to about 3 percent. The addition of federal funding eliminated the funding gap between these groups, resulting in the lowest poverty group having about 7 percent less funding than the highest poverty group. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Tennessee, districts with the highest proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 125 percent of that made in districts in the lowest poverty group.[110]

To put the state's school finance system in perspective, table XLVII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XLVII.3 presents data on how local, state, and federal funds were distributed among the five groups of Tennessee districts. (Fig. XLVII.1 provides table information in graphic form.)

Table XLVII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	134	14	32	14	49	25
Total pupils	830,038	167,155	162,620	170,812	167,164	162,287
Poverty rate (percent)	20.4	8.8	16.4	19.1	24.0	34.2
Tax effort[a]	$24.90	$25.43	$22.68	$23.43	$21.99	$31.86

[a] Local funding raised for every $1,000 of district income.

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[110] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Table XLVII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

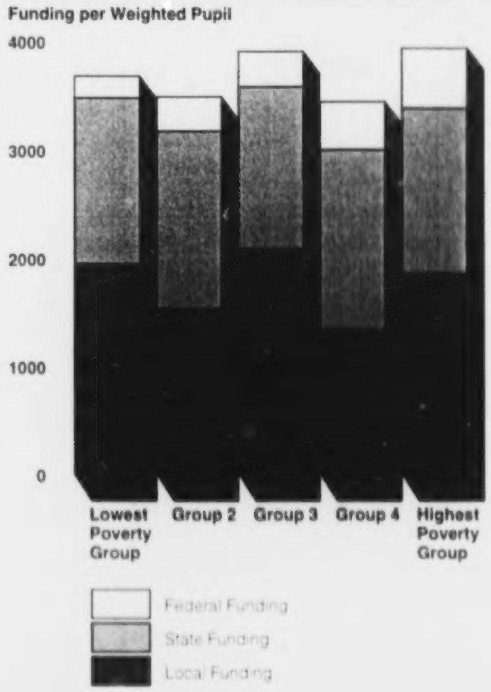
Funding source	State	Mean funding per weighted pupil					Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
		Lowest poverty				Highest poverty		
		Group 1	Group 2	Group 3	Group 4	Group 5		
Local[a]	$1,768	$1,953	$1,539	$2,092	$1,343	1,865	1.05	5
State	1,566	1,532	1,639	1,495	1,665	1,523	1.01	[b]
Subtotal	**$3,334**	**$3,484**	**$3,178**	**$3,587**	**$3,008**	**$3,388**	**1.03**	**3**
Federal[a]	365	197	314	322	439	551	.36	[b]
Total	**$3,699**	**$3,681**	**$3,491**	**$3,909**	**$3,446**	**$3,939**	**.93**	**–7**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

Figure XLVII.1: Funding Distribution (in Dollars) **in Tennessee, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Tennessee education official reported that the state had targeted much more funding to high-poverty districts since school year 1991-92. More information on changes in Tennessee's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Tennessee appears in appendixes III and IV.

Appendix XLVIII

State Profile: Texas

Table XLVIII.1: Summary Data, School Year 1991-92: Texas

Average total funding per weighted pupil	$4,946
Sources of total funding	
Local share	49%
State share	44%
Federal share	7%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.39
Federal funding weight	$3.71
Total funding weight (effect of combined state and federal funding)	$0.58
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	115%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	140%
State + local funds	11%
Federal + state + local funds	1%

As table XLVIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Texas averaged $4,946. The localities provided about 49 percent of total funding for education; the state provided about 44 percent; federal funds provided about 7 percent.

Texas' state funding had the effect of providing districts with an additional $.39 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.58 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.).

Texas' targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 140 percent to about 11 percent. The addition of federal funding further reduced the funding gap between these groups to about 1 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Texas, districts with the highest proportions

of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 115 percent of that made in districts in the lowest poverty group.[111]

To put the state's school finance system in perspective, table XLVIII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XLVIII.3 presents data on how local, state, and federal funds were distributed among the five groups of Texas districts. (Fig. XLVIII.1 provides table information in graphic form.)

Table XLVIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	1,046	167	244	227	164	244
Total pupils	3,462,964	700,090	685,345	704,951	675,375	697,203
Poverty rate (percent)	24.4	7.0	15.2	23.2	31.1	45.6
Tax effort[a]	$38.40	$36.57	$37.95	$39.81	$37.96	$42.07

[a] Local funding raised for every $1,000 of district income.

Table XLVIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil							
		Lowest poverty				Highest poverty		
Funding source	**State**	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**	**Group 1 funding compared with group 5 funding**	**Percent difference (group 1 compared with group 5)**
Local[a]	$2,433	$3,231	$2,564	$2,739	$2,476	$1,348	2.40	140
State	2,180	1,706	2,200	2,106	1,830	3,111	.55	[b]
Subtotal	**$4,613**	**$4,937**	**$4,764**	**$4,845**	**$4,306**	**$4,459**	**1.11**	**11**
Federal[a]	334	132	224	332	403	561	.24	[b]
Total	**$4,946**	**$5,069**	**$4,988**	**$5,177**	**$4,709**	**$5,020**	**1.01**	**1**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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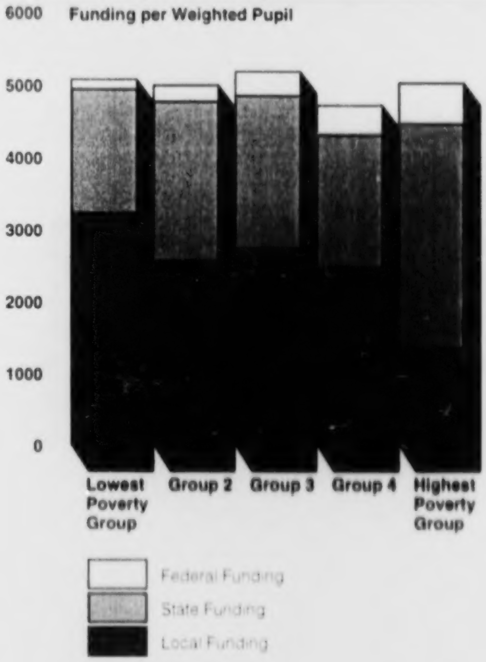
[111] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XLVIII.1: Funding Distribution (in Dollars) in Texas, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Texas education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Texas' school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Texas appears in appendixes III and IV.

State Profile: Utah

Table XLIX.1: Summary Data, School Year 1991-92: Utah

Average total funding per weighted pupil	$3,408
Sources of total funding	
Local share	38%
State share	56%
Federal share	6%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$.02
Federal funding weight	$6.52
Total funding weight (effect of combined state and federal funding)	$0.59
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	123%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	-29%
State + local funds	-8%
Federal + state + local funds	-11%

As table XLIX.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Utah averaged $3,408. The localities provided about 38 percent of total funding for education; the state provided about 56 percent; federal funds provided about 6 percent.

Utah's state funding had the effect of providing districts with an additional $.02 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.59 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

The lowest poverty group in Utah had about 29 percent less local funding than the highest poverty group. State funding reduced this funding gap to about 8 percent. The lowest poverty group had about 11 percent less funding after the addition of federal funding. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Utah, districts with the highest proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 123 percent of that made in districts in the lowest poverty group.[112]

To put the state's school finance system in perspective, table XLIX.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table XLIX.3 presents data on how local, state, and federal funds were distributed among the five groups of Utah districts. (Fig. XLIX.1 provides table information in graphic form.)

Table XLIX.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	40	3	4	7	12	14
Total pupils	456,552	95,553	82,690	134,437	62,211	81,661
Poverty rate (percent)	12.1	7.1	8.2	11.1	15.0	21.2
Tax effort[a]	$30.86	$28.05	$26.23	$27.71	$43.85	$34.57

[a]Local funding raised for every $1,000 of district income.

Table XLIX.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$1,284	$1,229	$1,019	$1,118	$1,406	$1,740	.71	-29
State	1,911	1,944	2,152	1,870	1,982	1,694	1.15	[b]
Subtotal	**$3,195**	**$3,174**	**$3,171**	**$2,988**	**$3,388**	**$3,434**	**.92**	**–8**
Federal[a]	212	157	193	183	228	318	.49	[b]
Total	**$3,408**	**$3,331**	**$3,365**	**$3,171**	**3,616**	**$3,752**	**.89**	**–11**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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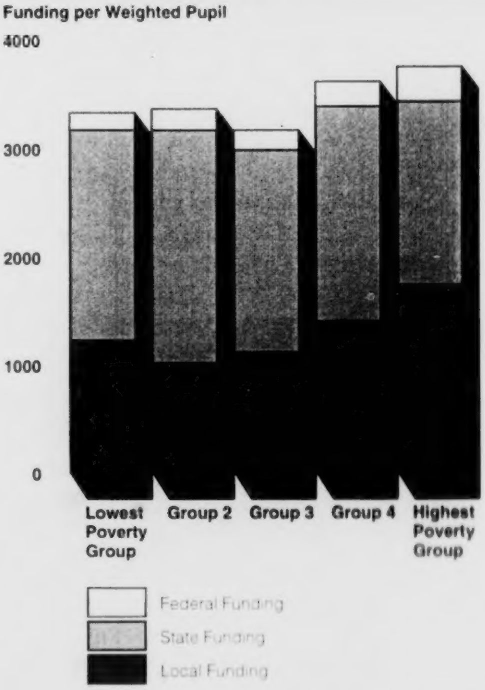
[112]The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure XLIX.1: Funding Distribution (in Dollars) in Utah, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Utah education official reported that the state had targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Utah's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Utah appears in appendixes III and IV.

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State Profile: Virginia

Table L.1: Summary Data, School Year 1991-92: Virginia

Average total funding per weighted pupil	$5,021
Sources of total funding	
Local share	61%
State share	34%
Federal share	5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$.93
Federal funding weight	$5.27
Total funding weight (effect of combined state and federal funding)	$1.29
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	91%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	98%
State + local funds	30%
Federal + state + local funds	20%

As table L.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Virginia averaged $5,021. The localities provided about 61 percent of total funding for education; the state provided about 34 percent; federal funds provided about 5 percent.

Virginia's state funding had the effect of providing districts with an additional $.93 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.29 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Virginia's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 98 percent to about 30 percent. The addition of federal funding further reduced the funding gap between these groups to about 20 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Virginia, districts with the highest proportions of poor students made less effort to raise local revenue than districts with

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the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 91 percent of that made in districts in the lowest poverty group.[113]

To put the state's school finance system in perspective, table L.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table L.3 presents data on how local, state, and federal funds were distributed among the five groups of Virginia districts. (Fig. L.1 provides table information in graphic form.)

Table L.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	133	6	19	27	52	29
Total pupils	1,017,948	196,113	185,453	230,335	207,058	198,989
Poverty rate (percent)	13.4	4.1	5.9	9.8	18.0	28.7
Tax effort[a]	$32.17	$36.94	$32.62	$28.33	$28.06	$33.60

[a]Local funding raised for every $1,000 of district income.

Table L.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil						
Funding source	State	Lowest poverty Group 1	Group 2	Group 3	Group 4	Highest poverty Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$3,052	$4,601	$3,073	$2,925	$2,124	$2,322	1.98	98
State	1,695	1,048	1,690	1,736	2,111	2,018	0.52	[b]
Subtotal	**$4,748**	**$5,649**	**$4,764**	**$4,661**	**$4,236**	**$4,340**	**1.30**	**30**
Federal[a]	274	134	178	231	357	472	0.28	[b]
Total	**$5,021**	**$5,782**	**$4,942**	**$4,892**	**$4,593**	**$4,812**	**1.20**	**20**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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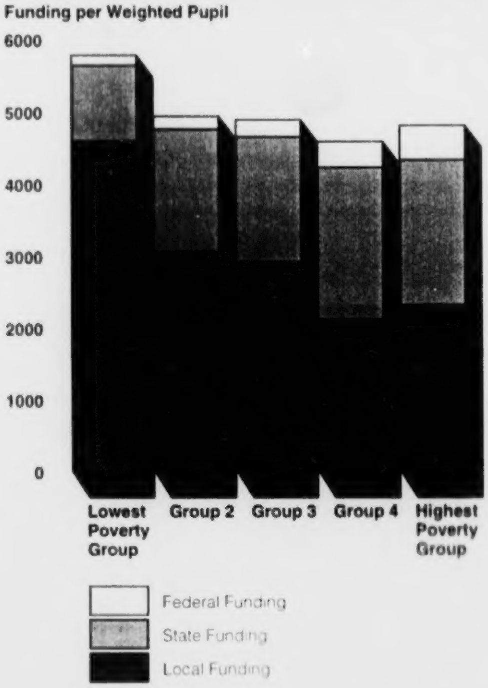
[113] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure L.1: Funding Distribution (in Dollars) in Virginia, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Virginia education official reported that the state had targeted much more funding to high-poverty districts since school year 1991-92. More information on changes in Virginia's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Virginia appears in appendixes III and IV.

State Profile: Washington

Table LI.1: Summary Data, School Year 1991-92: Washington

Average total funding per weighted pupil	$5,604
Sources of total funding	
Local share	24%
State share	71%
Federal share	5%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.70
Federal funding weight	$6.28
Total funding weight (effect of combined state and federal funding)	$1.11
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	123%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	46%
State + local funds	7%
Federal + state + local funds	1%

As table LI.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Washington averaged $5,604. The localities provided about 24 percent of total funding for education; the state provided about 71 percent; federal funds provided about 5 percent.

Washington's state funding had the effect of providing districts with an additional $.70 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.11 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Washington's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 46 percent to about 7 percent. The addition of federal funding further reduced the funding gap between these groups to about 1 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Washington, districts with the highest

proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 123 percent of that made in districts in the lowest poverty group.[114]

To put the state's school finance system in perspective, table LI.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table LI.3 presents data on how local, state, and federal funds were distributed among the five groups of Washington districts. (Fig. LI.1 provides table information in graphic form.)

Table LI.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**
Total districts	290	40	37	60	50	103
Total pupils	860,198	162,198	176,803	178,558	182,436	160,203
Poverty rate (percent)	14.3	5.8	9.0	12.5	18.2	26.7
Tax effort[a]	$16.08	$16.22	$16.66	$17.02	$12.93	$19.97

[a]Local funding raised for every $1,000 of district income.

Table LI.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil							
		Lowest poverty				Highest poverty		
Funding source	**State**	**Group 1**	**Group 2**	**Group 3**	**Group 4**	**Group 5**	**Group 1 funding compared with group 5 funding**	**Percent difference (group 1 compared with group 5)**
Local[a]	$1,346	$1,656	$1,314	$1,306	$1,307	$1,135	1.46	46
State	3,988	3,916	4,010	4,107	4,002	4,082	.96	[b]
Subtotal	**$5,334**	**$5,572**	**$5,324**	**$5,413**	**$5,309**	**$5,217**	**1.07**	**7**
Federal[a]	270	144	170	250	334	464	.31	[b]
Total	**$5,604**	**$5,716**	**$5,494**	**$5,662**	**$5,643**	**$5,681**	**1.01**	**1**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a]Federal impact aid is considered part of local funding.

[b]Not applicable to our analysis.

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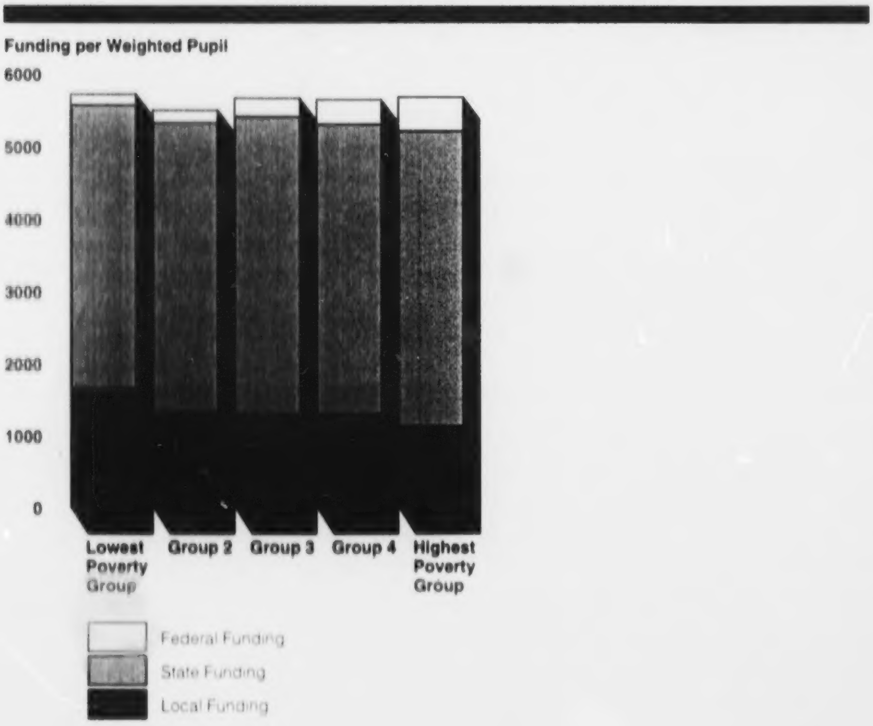
[114] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure LI.1: Funding Distribution (in Dollars) **in Washington, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Washington education official reported that the state had targeted more funding to high-poverty districts since school year 1991-92. More information on changes in Washington's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Washington appears in appendixes III and IV.

State Profile: West Virginia

Table LII.1: Summary Data, School Year 1991-92: West Virginia

Average total funding per weighted pupil	$5,332
Sources of total funding	
Local share	25%
State share	67%
Federal share	8%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$0.09
Federal funding weight	$2.59
Total funding weight (effect of combined state and federal funding)	$0.27
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	114%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	68%
State + local funds	13%
Federal + state + local funds	9%

As table LII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in West Virginia averaged $5,332. The localities provided about 25 percent of total funding for education; the state provided about 67 percent; federal funds provided about 8 percent.

West Virginia's state funding had the effect of providing districts with an additional $.09 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $.27 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

West Virginia's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 68 percent to about 13 percent. The addition of federal funding further reduced the funding gap between these groups to about 9 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In West Virginia, districts with the highest

proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 114 percent of that made in districts in the lowest poverty group.[115]

To put the state's school finance system in perspective, table LII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table LII.3 presents data on how local, state, and federal funds were distributed among the five groups of West Virginia districts. (Fig. LII.1 provides table information in graphic form.)

Table LII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	55	11	7	12	11	14
Total pupils	320,249	67,857	62,346	63,887	60,497	65,662
Poverty rate (percent)	25.6	16.4	20.9	24.2	28.4	38.3
Tax effort[a]	$22.96	$22.63	$21.92	$24.36	$20.83	$25.86

[a] Local funding raised for every $1,000 of district income.

Table LII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

		Mean funding per weighted pupil							
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$1,353	$1,639	$1,605	$1,487	$1,073	$975	1.68	68
State	3,574	3,491	3,472	3,668	3,716	3,550	.98	[b]
Subtotal	**$4,927**	**$5,130**	**$5,077**	**$5,155**	**$4,789**	**$4,525**	**1.13**	**13**
Federal[a]	405	322	361	407	439	494	.65	[b]
Total	**$5,332**	**$5,452**	**$5,438**	**$5,562**	**$5,228**	**$5,020**	**1.09**	**9**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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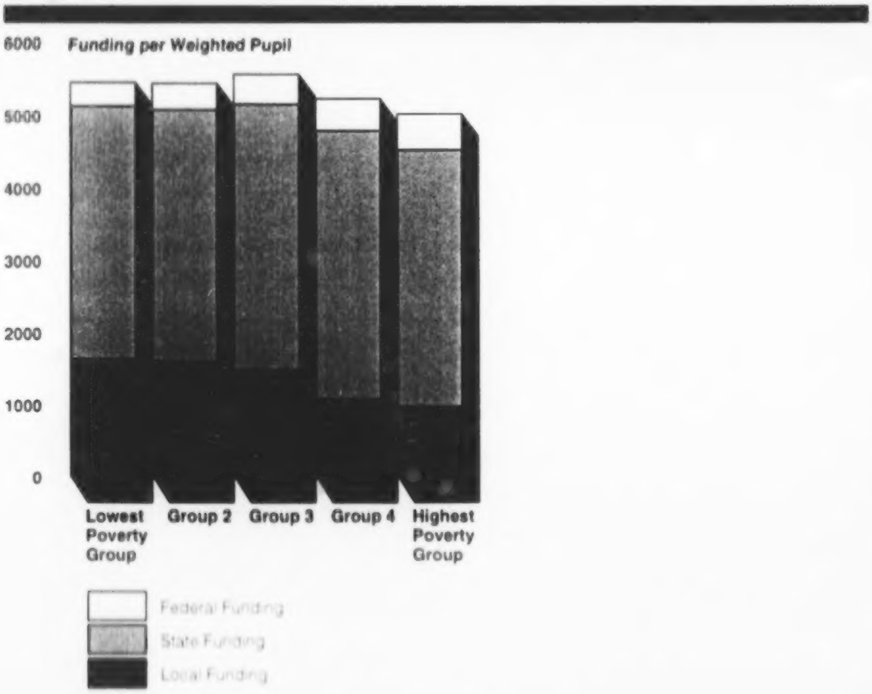
[115] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure LII.1: Funding Distribution (in Dollars) **in West Virginia, School Year 1991-92**



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A West Virginia education official reported that the state had not targeted more funding to high-poverty districts since school year 1991-92. More information on changes in West Virginia's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about West Virginia appears in appendixes III and IV.

State Profile: Wisconsin

Table LIII.1: Summary Data, School Year 1991-92: Wisconsin

Average total funding per weighted pupil	$6,124
Sources of total funding	
Local share	52%
State share	44%
Federal share	4%
Targeting to poor students (added amount allocated per poor student for every dollar allocated for each student)	
State funding weight	$1.20
Federal funding weight	$5.14
Total funding weight (effect of combined state and federal funding)	$1.55
Local tax effort of districts with the highest poverty rates compared with districts with the lowest poverty rates	102%
Funding gap between districts with lowest and highest proportions of poor students	
Local funds only	75%
State + local funds	17%
Federal + state + local funds	11%

As table LIII.1 shows, in school year 1991-92, total funding (local, state, and federal funding combined) per weighted pupil in Wisconsin averaged $6,124. The localities provided about 52 percent of total funding for education; the state provided about 44 percent; federal funds provided about 4 percent.

Wisconsin's state funding had the effect of providing districts with an additional $1.20 per poor student for every $1 provided to each student. When federal funding was added to the state funding, the combined effect provided an additional $1.55 per poor student. (To compare these amounts with those of other states, see table III.6 in app. III.)

Wisconsin's targeting efforts and state share of total funding reduced the local funding gap between the lowest and highest poverty groups from about 75 percent to about 17 percent. The addition of federal funding further reduced the funding gap between these groups to about 11 percent. (To compare the total funding gap with those of other states, see table V.2 in app. V. For the funding gap results using a regression analysis, see table V.1.)

The size of the local funding gap is partly determined by differences in districts' local tax efforts. In Wisconsin, districts with the highest

proportions of poor students made more effort to raise local revenue than districts with the lowest proportions of poor students. Specifically, districts in the highest poverty group made a tax effort that was 102 percent of that made in districts in the lowest poverty group.[116]

To put the state's school finance system in perspective, table LIII.2 presents demographic data for school year 1991-92 for five groups of districts with increasing proportions of poor students. Table LIII.3 presents data on how local, state, and federal funds were distributed among the five groups of Wisconsin districts. (Fig. LIII.1 provides table information in graphic form.)

Table LIII.2: Demographic Information for Districts of Increasing Proportions of Poor Students, School Year 1991-92

		Lowest poverty				Highest poverty
	State	Group 1	Group 2	Group 3	Group 4	Group 5
Total districts	426	94	93	88	79	72
Total pupils	813,614	163,176	163,100	149,730	174,563	163,045
Poverty rate (percent)	14.1	3.4	7.7	11.7	15.8	31.4
Tax effort[a]	$38.08	$36.56	$39.68	$38.29	$38.87	$37.38

[a] Local funding raised for every $1,000 of district income.

Table LIII.3: Effects of Local, State, and Federal Efforts on Average Funding per Weighted Pupil for Districts With Increasing Proportions of Poor Students, School Year 1991-92

	Mean funding per weighted pupil							
		Lowest poverty				Highest poverty		
Funding source	State	Group 1	Group 2	Group 3	Group 4	Group 5	Group 1 funding compared with group 5 funding	Percent difference (group 1 compared with group 5)
Local[a]	$3,168	$4,118	$3,374	$3,032	$3,093	$2,353	1.75	75
State	2,707	2,301	2,632	2,789	2,721	3,110	.74	[b]
Subtotal	**$5,876**	**$6,419**	**$6,006**	**$5,821**	**$5,813**	**$5,463**	**1.17**	**17**
Federal[a]	248	135	172	214	261	426	.32	[b]
Total	**$6,124**	**$6,554**	**$6,178**	**$6,035**	**$6,074**	**$5,889**	**1.11**	**11**

Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

[a] Federal impact aid is considered part of local funding.

[b] Not applicable to our analysis.

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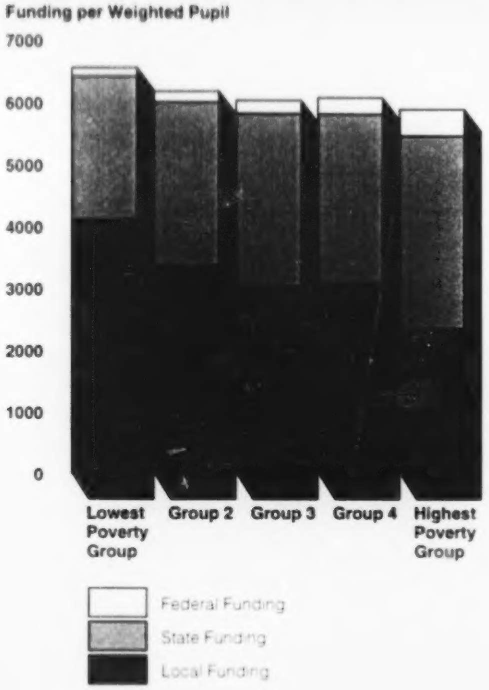
[116] The difference in tax efforts can also be analyzed by examining the elasticity of tax effort to district poverty rates. For these results and those of other states, see table V.3 in app. V.

Figure LIII.1: Funding Distribution (in Dollars) in Wisconsin, School Year 1991-92



Note: Funding has been adjusted for statewide differences in geographic and student need-related costs.

A Wisconsin education official reported that the state had targeted less funding to high-poverty districts since school year 1991-92. More information on changes in Wisconsin's school finance system made between 1991-92 and 1995-96 and such changes in other states appears in table LIV.1. Information on changes in federal funding between 1991-92 and 1994-95 appears in table LV.1. Additional technical information about Wisconsin appears in appendixes III and IV.

Changes in State School Finance Systems

In this report, we relied on funding data from the 1991-92 school year. However, many states have subsequently changed their school finance systems in response to legal challenges or to equity concerns. We telephoned officials in the 47 states to determine what changes had taken place in the school finance systems from school years 1991-92 through 1995-96. We specifically asked about changes in targeting that would affect districts with high proportions of poor students and changes in a state's share of education funding.[117] These two factors affect the size of the funding gap between low- and high-poverty districts—in general, the greater the targeting to high-poverty districts or the greater the state share, or both, the lower the funding gap. We did not verify the state officials' statements.

Relatively few states reported increased targeting to high-poverty districts. Education officials in 19 states reported not targeting high-poverty districts at all, 10 states reported no change in targeting to high-poverty districts, and 2 states reported changes that would result in high-poverty districts receiving less state funding. The remaining 16 states reported making changes that would provide more funds to high-poverty districts. Fewer states had increased the state share of total funding significantly. Officials in 36 states reported that their state's share had a net increase or decrease of 5 percentage points or less, and 3 states reported a decrease of 6 percentage points or more. Officials in the remaining eight states reported an increase in the state share of 6 percentage points or more. Table LIV.1 summarizes our findings of the changes states have made.

Table LIV.1: Summary of Changes to State School Finance Systems, School Years 1991-92 to 1995-96

State	Change in state share (percentage points)	1995-96 targeting to high-poverty districts compared with 1991-92				Did not specifically target high-poverty districts in either school year
		Much more	More	Same	Less	
Alabama	3.2					X
Alaska	-0.8					X
Arizona	2.0			X		
Arkansas	6.0					X

(continued)

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[117] Some states lacked school year 1995-96 data; seven states reported changes as of school year 1994-95; and two states reported changes as of school year 1993-94. Changes in the state share were based on local and state shares only (that is, the federal share of funding was not considered). Because not all state officials knew the local contribution for capital expenditures and debt service, we asked state officials to estimate their state's share of funding exclusive of these categories.

State	Change in state share (percentage points)	1995-96 targeting to high-poverty districts compared with 1991-92				Did not specifically target high-poverty districts in either school year
		Much more	More	Same	Less	
California[a]	–9.7			X		
Colorado	11.2	X				
Connecticut[b]	–1.4			X		
Delaware	–1.6					X
Florida	–0.3					X
Georgia	2.2					X
Idaho[b]	0.4					X
Illinois[a]	–1.1			X		
Indiana[b]	2.2		X			
Iowa	0.8					X
Kansas	17.6		X			
Kentucky	2.4			X		
Louisiana	–6.0		X			
Maine	–5.0				X	
Maryland	–1.1		X			
Massachusetts	8.0	X				
Michigan[b]	44.9		X			
Minnesota	0.4			X		
Mississippi	2.2					X
Missouri	–1.3	X				
Montana	–4.9					X
Nebraska	0.2					X
Nevada	–6.9					X
New Hampshire	–1.0					X
New Jersey	–5.0			X		
New Mexico	0.0					X
New York	–3.2	X				
North Carolina	–1.0					X
North Dakota	–4.0					X
Ohio[b]	–0.4			X		
Oklahoma[b]	3.0			X		
Oregon	30.0		X			
Pennsylvania	–1.1	X				
Rhode Island	0.8	X				

(continued)

State	Change in state share (percentage points)	1995-96 targeting to high-poverty districts compared with 1991-92				Did not specifically target high-poverty districts in either school year
		Much more	More	Same	Less	
South Carolina	-1.7					X
South Dakota	-0.4					X
Tennessee	10.0	X				
Texas	1.1			X		
Utah	24.0		X			
Virginia[b]	2.1	X				
Washington	-2.7		X			
West Virginia	-4.0					X
Wisconsin	3.7				X	

[a] Change as of school year 1993-94.

[b] Change as of school year 1994-95.

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Changes in Major Federal Education Programs

In this report, we relied on state, local, and federal funding data from the 1991-92 school year. Federal regulations or legislation since 1991-92, however, may have changed targeting to districts. We telephoned officials in the Departments of Education, Agriculture, Health and Human Services, and the Interior and reviewed relevant documents to determine what regulatory or legislative changes, if any, to the major federally funded elementary and secondary schools programs may have resulted in more or less federal funds being targeted to poor students.

The federal government targeted more funding to poor students in the 1995-96 school year than in the 1991-92 school year, according to federal officials, due to changes in title I legislation and regulations. Title I, the largest federal education program, provides funding for disadvantaged students. Changes effective as of July 1995 were expected to provide more title I funding to high-poverty districts through increased targeting. In addition, other federal education programs allocate funds on the basis of title I formulas. For example, vocational education grants are partially based on title I funding formulas. Consequently, vocational education funding has also increased in high-poverty districts. Federal government programs supporting children with disabilities under the Individuals With Disabilities Education Act made changes in 1997 that are expected to result in targeting more funding to poor students.

Funding patterns remained relatively unchanged in many other federal programs. Federal officials for the Head Start, bilingual education, Indian education, and child nutrition programs cited no regulatory or legislative changes since 1991-92 that would affect targeting to poor students.

Table LV.I summarizes the federal funding provided to the states in school years 1991-92 and 1994-95. These figures include impact aid as part of the totals (we excluded federal impact aid in our analysis of federal targeting). The federal percentages in the table are based on total funding amounts from public sources (private funding is excluded from total funding).

Table LV.1: Summary of Federal Funding to States, School Years 1991-92 and 1994-95

	School year 1991-92			School year 1994-95		
State	Total federal funding (thousands)	Per pupil federal funding	Percentage of total funding	Total federal funding (thousands)	Per pupil federal funding	Percentage of total funding
Alabama	$322,576	$447	12.4	$343,927	$467	9.7
Alaska	128,612	1,084	11.7	129,911	1,022	10.8
Arizona	284,615	433	9.0	354,242	480	9.4
Arkansas	197,915	451	11.2	199,163	445	9.2
California	2,027,474	397	7.6	2,751,519	509	9.5
Colorado	152,090	255	5.1	193,865	303	5.3
Connecticut	126,225	262	3.3	177,446	350	4.0
Delaware	46,144	452	7.7	53,885	504	7.2
Florida	788,420	408	7.6	971,277	461	7.6
Georgia	409,741	348	7.9	512,456	403	7.4
Idaho	69,859	310	8.3	84,012	349	7.7
Illinois	680,351	368	7.0	780,212	407	6.5
Indiana	272,355	285	5.5	306,971	317	4.8
Iowa	132,718	270	5.7	151,225	303	5.2
Kansas	123,564	277	5.6	152,757	331	5.3
Kentucky	296,573	459	10.2	301,243	458	9.3
Louisiana	363,958	458	11.1	458,344	574	11.9
Maine	73,876	341	5.9	79,403	373	5.7
Maryland	238,573	324	5.3	279,464	353	5.0
Massachusetts	296,702	351	5.4	352,760	395	5.4
Michigan	599,076	376	6.3	734,290	455	6.2
Minnesota	200,853	260	4.6	247,964	302	4.4
Mississippi	289,302	574	17.7	310,249	613	14.8
Missouri	258,032	306	6.6	317,002	361	6.5
Montana	72,483	465	9.2	91,912	559	10.0
Nebraska	93,705	335	6.8	104,608	364	5.8
Nevada	46,957	222	4.3	67,369	269	4.9
New Hampshire	31,098	176	3.1	35,169	186	3.1
New Jersey	436,024	393	4.2	383,016	326	3.3
New Mexico	169,616	550	12.7	199,231	609	11.8
New York	1,210,481	458	5.7	1,196,994	433	4.8
North Carolina	364,253	332	7.4	443,701	384	7.5
North Dakota	59,909	506	11.8	73,400	615	12.4
Ohio	571,416	320	6.1	714,840	394	6.5

(continued)

	School year 1991-92			School year 1994-95		
State	Total federal funding (thousands)	Per pupil federal funding	Percentage of total funding	Total federal funding (thousands)	Per pupil federal funding	Percentage of total funding
Oklahoma	117,060	199	4.8	260,760	428	9.4
Oregon	183,784	369	6.6	224,139	429	6.8
Pennsylvania	664,767	393	5.9	746,601	423	5.6
Rhode Island	53,653	377	6.1	59,458	403	5.5
South Carolina	262,740	419	9.4	299,232	461	8.7
South Dakota	61,986	471	11.5	69,162	482	10.0
Tennessee	324,252	389	11.4	348,729	396	8.9
Texas	1,120,400	323	6.8	1,511,000	411	7.7
Utah	106,609	232	6.9	133,543	281	6.0
Virginia	322,156	317	6.0	368,102	347	5.7
Washington	288,382	332	5.8	357,615	381	6.9
West Virginia	129,763	405	7.7	156,555	504	8.1
Wisconsin	216,430	266	4.4	262,315	305	4.4

Source: U.S. Department of Education National Center for Education Statistics.

GAO Contacts and Staff Acknowledgments

GAO Contacts

Eleanor L. Johnson, Assistant Director, (202) 512-7209
Peter J. Bylsma, Evaluator-in-Charge, (206) 287-4881

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